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10 JULY 1986

SUB-SAHARAN AFRICA REPORT

CONTENTS

BOTSWANA

Chiepe Praises Cuba, Criticizes RSA (Larona Sedimo; DAILY NEWS, 12 May 86)	1
BDF Commander Defends Need To Safeguard Classified Information (DAILY NEWS, 19 May 86)	2
Merafhe Says Politicians Want To Politicize BDF (Larona Sedimo; DAILY NEWS, 27 May 86)	3
World Bank Loan for Selebi-Phikwe Project (DAILY NEWS, 23 May 86)	4

CAMEROON

Active German Investing Firms To Take Part in Trade Fair (FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT, 1 Apr 86)	5
--	---

DJIBOUTI

Police Getting Maintenance Shop, Radio Networks From FRG Army (WEHRDIENST, 7 Apr 86)	8
---	---

ETHIOPIA

New Policy Seen in Release of 67 Church Leaders (Trond Bo; AFTENPOSTEN, 6 May 86)	10
--	----

LESOTHO

Briefs Highlands Water Project	12
---	----

SWAZILAND

Political Balancing Act of Africa's 'Switzerland' Successful (Robert Lucius; FRANKFURTER ALLGEMEINE, 2 Jun 86)	13
---	----

Briefs

Women's Group Now Recognized	16
Swazi-RSA Dam Planned	16
Refugees Facing Shortage of Food	16

SOUTH AFRICA

AFRIKANER/GOVERNMENT

New Legislation To Have Stabilizing Effect (Editorial; DIE BURGER, 15 May 86)	18
Right-Wing Party Leader Warns Against Talks With ANC (DIE AFRIKANER, 14 May 86)	19
Pretoria's Conservatives Reject Regional Service Councils (DIE AFRIKANER, 14 May 86)	21
Local Administration Police Force To Help RSA Police (T. Heath; SERVAMUS, Mar 86)	23
Integration of Originally White Universities Leading To Unrest (DIE AFRIKANER, 2 Apr 86)	26
Checks and Balances Seen Essential to Democracy (Editorial; DIE BURGER, 15 May 86)	29
Labor MP Says Community Development Hope for Future (DIE BURGER, 8 May 86)	31

BLACKS

Rise of Dual Power, Creation of People's Committees (Alex Mashinini; SECHABA, Apr 86)	34
Mamelodi Seen Example of Success of People's Power (Marimuthu Subramoney; DAILY NEWS, 27 May 86)	42
AZAPO Condemns Use of 'Necklace,' Advocates (THE SUNDAY STAR, 8 Jun 86)	44
Columnist on 'Price To Pay for Freedom,' Inevitability of 16 June (Percy Qoboza; THE STAR, 8 Jun 86)	45
Briefs	
Students Burn Books	47

VAAL Street Defence Committees	47
Red Meat Boycott	48
No 'Necklace' in Transkei	48

SOCIOPOLITICAL/OTHER

Parallels Between ANC, Ultra-Right Threat Analyzed (Andreas Razumovsky; FRANKFURTER ALLGEMEINE, 4 Jun 86)	49
AD Appeals to Whites To Use Flowers in Support of Soweto Day (THE WEEKLY MAIL, 6-12 Jun 86)	52
Firearms, Ammunition Sales Rocket on Rand (THE STAR, 14 Jun 86)	54
New NCW Head Plans To Help Detained Children (Kate McKinnell; THE STAR, 13 Jun 86)	55
International Study Blasts Nation's Human Rights Record (John D'Oliveira; THE SUNDAY STAR, 8 Jun 86)	56
Hundreds of Architects Leaving Profession, Out of Work (Ruth Golembo; SUNDAY TIMES, 8 Jun 86)	58
Black Anglican Bishop Appeals to White Youth (Estelle Trengove; THE STAR, 14 Jun 86)	59
Need for Stability, Trust To Solve Education Crisis Discussed (Ken Andrew; SUNDAY TIMES, 8 Jun 86)	60
Briefs	
Concern for Detained Children	62
Low-Cost Housing Designs Sought	62

ECONOMIC

PFP MP Calls for New Economic Policy (Brian Goodall; THE WEEKEND ARGUS, 24 May 86)	64
BIS Notes Nation's Improved External Debt Position (Neil Behrmann; BUSINESS DAY, 9 Jun 86)	67
Red Tape Said To Hamper Business Initiative (Lesley Lambert; BUSINESS DAY, 4 Jun 86)	68
Investment Trust Fund Formed To Help Blacks (THE CITIZEN, 9 Jun 86)	69
Extent of Amcoal's Interests Described (John Orpen; THE SUNDAY STAR, 8 Jun 86)	70

Minister on Government Aid to Agriculture (Gerald Reilly; BUSINESS DAY, 5 Jun 86)	72
New Platinum Mining Project for Northwestern Transvaal (THE STAR, 12 Jun 86; THE CITIZEN, 12 Jun 86)	73
Production Begins in 5 Years, by Gareth Costa	73
Employment for Over 5,000, by Erik Larsen	74
Absentee Farmers Present Security Problem (Linda Ensor; BUSINESS DAY, 5 Jun 86)	75
Factors Leading to Increase in Unemployment Discussed (Bruce Cameron; THE DAILY NEWS, 15 May 86)	76
Briefs	
Hotels Feeling Pinch	78
U.S. Organization To Help Blacks	78
Refinery Construction Go-Ahead	79
Building Jobs Fall 25 Percent	79
Farm Drought Aid	79
Gold Reserves Up 8.9 Percent	79
Foreign Debt Repayments	80
U.S. Chemical Company To Leave	80
Nation Leads in Fuel Price Increases	81
New Life for Kimberley Mines	81
INDUSTRIAL/S&T	
Stakes Getting Higher as Country Beats Arms Bans (Michael Morris; THE STAR, 31 May 86)	82
Engineering Sector Launches Export Drive (Malcolm Fothergill; THE SUNDAY STAR, 8 Jun 86)	84
Work Force Affected by Building Industry Crisis (DAILY DISPATCH, 3 Jun 86)	85
Computer Industry Expanding Rapidly (Amrit Manga; SUNDAY TIMES, 8 Jun 86)	87
Diversification of Port Elizabeth Industry Noted (EVENING POST, 28 May 86)	88
Ferrous Casting Sector Production Down (BUSINESS DAY, 9 Jun 86)	89
National Oil Rig Tenders Replace Foreigners (George Young; EVENING POST, 30 May 86)	90

New Discovery To Revolutionize Method of Exploring Gas, Oil (Dan Side; THE SUNDAY STAR, 8 Jun 86)	92
Mossel Bay Seagas Resources Described (THE STAR, 11 Jun 86; BUSINESS DAY, 6 Jun 86)	93
Resources Considered Inexhaustible, by Jaap Boekkooi	93
U.S. Sanctions Could Hinder, by Hamish McIndoe	94
Motor Industry Problems Likely To Continue (THE SUNDAY STAR, 25 May 86)	95
Steel Company Official Expresses Optimistic Views (Barry Baxter; BUSINESS DAY, 27 May 86)	96
New Low-Chrome Stainless Steel Described (BUSINESS DAY, 27 May 86)	99
Briefs	
Natal Building Firms in Difficulty	101
Escom Builds World's Largest Radiator	101
Gaskets for Japanese Car Market	101

/9987

BOTSWANA

CHIEPE PRAISES CUBA, CRITICIZES RSA

Gaborone DAILY NEWS in English 12 May 86 p 1

[Article by Larona Sedimo]

[Text]

GABORONE: Botswana and Cuba, as members of the Non-aligned Movement firmly believe in the principle of equality and non-interference in the internal affairs of other states, said the Minister of External Affairs Dr Gaositwe Chiepe.

Speaking at a luncheon she hosted for the Cuban Ambassador to Botswana, Mr Perdomo, Dr Chiepe said the two countries also have a common stand on a number of international issues such as disarmament and the North-South Dialogue.

Botswana, said the Minister appreciates Cuba's support for the struggle against racism and colonialism in the world generally and in Southern Africa in particular.

She told the new Ambassador that South Africa continued to delay the implementation of the Security Council Resolution 435 by linking the

independence of Namibia to the withdrawal of the Cuban troops from Angola.

"Botswana rejects this linkage and hopes that August 1 will see the implementation of the resolution" Dr Chiepe said.

The Minister said that the turmoil in South Africa was getting worse day by day, adding that South Africa continues to be intransigent. She said it was Botswana's earnest hope that the people of South Africa and Namibia will attain majority rule in the not too distant future.

She assured Mr Perdomo that Botswana will give him cooperation in his mission of further strengthening the good relations which subsist between the two countries.

Earlier she had said that it was our desire to widen the scope of the existing cooperation to encompass other fields. **BOPA**

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BOTSWANA

BDF COMMANDER DEFENDS NEED TO SAFEGUARD CLASSIFIED INFORMATION

Gaborone DAILY NEWS in English 19 May 86 p 1

[Text]

G A B O R O N E: The Commander of the Botswana Defence Force (BDF), Major-General Mompoti Merafhe has reacted angrily to an article in a weekly newspaper of May 10 Mmegi wa Dikgang analysing the implications of the National Security Act on the publication of information about the BDF.

In an open letter addressed to the Editor of Mmegi wa Dikgang, Major-General Merafhe says he was puzzled to note that the article seeks to question the need to protect information may be common knowledge and that the taxpayers who maintain the army, are entitled to know what is happening in the army.

He drew the attention of the paper to the fact that the BDF was a small defence force and that its survival depended on the inability of its adversaries to know its capabilities in terms of equipment, development, manpower and other details. He said it therefore followed that information relating to these matters should be protected by law, and that in

the absence of the present National Security Act no such legal protection exists.

Major-General Merafhe said it would be the height of irresponsibility to allow information relating to the activities of the BDF to be marketed freely for whatever reasons.

The commander also challenged the paper's assertion that some of the information is published in some publication like the London Institute of Strategic Studies. He said this assertion was nonsensical because that information, most of which is inaccurate, is not legitimately obtained from the BDF.

Major-General Merafhe said the National Security Act will therefore check the activities of individuals who collaborate with any publisher who publishes information which is detrimental to the security of the BDF. He wondered why somebody should be eager to publish the "flying range of the BDF planes," if the information is common knowledge.

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BOTSWANA

MERAFHE SAYS POLITICIANS WANT TO POLITICIZE BDF

Gaborone DAILY NEWS in English 27 May 86 p 1

[Article by Larona Sedimo]

[Text]

GABORONE: The Commander of the Botswana Defence Force, Major General Mompoti Merafhe has called some politicians irresponsible saying they were engaged in a desperate attempt to bring the BDF close to their political camps.

Speaking at a passing out parade at the Sir Seretse Khama Barracks on Friday, General Merafhe warned against the possible consequences of an alternative to democracy, which may arise if members of the BDF were politicised.

He said he had watched with dismay, in recent months, the political castigation of certain personalities within the force and "the categorisation of the BDF officers into the efficient and the inefficient, the honest and the dishonest, the bad and the good and so on".

He wondered if people making those statements

were qualified to pass judgement on these matters. He noted that some elements even have the audacity to boast at certain political forums that they have informers who kept them informed about the secrets of the force.

"I am at loss to understand how a national defence force which is politically neutral should become a target of any political

party". According to General Merafhe, those were political tactics which were aimed at driving a wedge between members of the BDF and to undermine the stability and discipline that have characterised the running of the force.

Earlier, the Major General has said he is a great believer in an orderly system of government and in the neutrality of the force. He

said he expected and required BDF to maintain that tradition, which is obtained in all democratic countries.

"The role of the BDF should be limited to serving any government which has been elected by the people," Mr Merafhe also took the opportunity to dissociate himself from the Leno Real Estate, a business enterprise which has been formed by a group of locals.

He said he deliberately listened to false accusations and allowed political commentaries to go unchallenged because, "I wanted to see how far their authors were prepared to go in their character assassination campaign," he said.

However, he made it clear that Leno Real Estate and Land Holdings were not issues within the BDF.

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BOTSWANA

WORLD BANK LOAN FOR SELEBI-PHIKWE PROJECT

Gaborone DAILY NEWS in English 23 May 86 p 1

[Text]

GABORONE: The Ministry of Finance and Development Planning announced yesterday that the World Bank has approved a loan of P12,7 million for Botswana in support of the Selebi-Phikwe Regional Development Project.

The project was designed by a committee appointed by Government which proposed measures for diversifying the economic base of Selebi-Phikwe and its surrounding region in order to reduce the present dependence of the town on the BCL Copper-Nickel mine.

It involved the establishment of a regional development promotion unit to be based in Selebi-Phikwe which would involve the secondment to Botswana of industrial development experts and one irrigation agronomist.

The unit would be responsible for the promotion of new investments in Selebi Phikwe, the expansion of existing investments and the

organisation of training programmes for local industries and businessmen.

It will also undertake the economic projection of Selebi-Phikwe through publication of promotional materials, external visits and assistance to visiting potential investors.

As part of the regional development programme, an investigation of the irrigation development potential of the region will be undertaken. This will include the Motloutse and Limpopo river basins with the ultimate objective of preparing development plans and the establishment of a large-scale irrigation programme in the region.

The project also involved the development of a road network system to improve accessibility to Selebi-Phikwe hinterland and to establish direct links to markets in South Africa for business input in the economic expansion of the town.

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CAMEROON

ACTIVE GERMAN INVESTING FIRMS TO TAKE PART IN TRADE FAIR

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German
1 Apr 86 p 2

[W.An. Article: "German Firms are Active in Cameroon. A German Trade Fair is planned in Yaoundé for November"]

[Text] In Cameroon in the Palais des Congrès of the capital of Yaoundé a German trade fair is planned (14 through 23 Nov). It is being organized by the Federal Department of Commerce in collaboration with the Exhibits and Fairs Committee of German Commerce e.V. (AUMA), Cologne, and arranged by AMK Berlin-Ausstellungs-Messe-Kongress GmbH., Berlin. In addition to roughly 100 firms from the FRG, other participants in the Exhibit are the Department of Food, Agriculture and Forestry, the Information Bureau of the FRG as well as the Senator for Commerce and Labor of the Land Berlin. Among the major German companies assuring their participation are Siemens, AG, Munich/Berlin; AEG-Telefunken, Frankfurt; Daimler-Benz AG, Stuttgart and Hoechst AG, Frankfurt.

In the economic development of Cameroon, which takes place within the limits of a controlled enterprise system, one relies particularly on crude oil production (approximately 7 million metric tons annually) and the export of agricultural products (coffee, cocoa). Cameroon is also stepping up her growing of other field crops, such as caoutchouc, cotton and sugar cane as well as the production of palm oil. Food for the population is ensured through own production. It is expected that the trade fair will radiate to other nations as well (Nigeria, Gabon, People's Republic of Congo, Equatorial Guinea and the Central African Republic).

Several German Companies, in connection with the Deutsche Finanzierungsgesellschaft fuer Beteiligungen in Engwicklungslaendern GmbH (DEG) [German Financing Company for Investments in Developing Countries], Cologne, have already decided upon direct investments. Recently, German engineering-consulting, equipment and construction firms were successful in booking major orders in this country. Cameroon is also a thrust point of German development assistance. Through the end of December 1984, the total commitment by the Credit Institute for Rehabilitation (KfW), Frankfurt, amounted to 450 million DM. Until now, German development assistance has concentrated primarily on highway and railroad construction, water supply and navigation (expansion of the port of Douala and acquisition of two semi-container ships for Cameroon Shipping Lines S.A., Douala), as well as agriculture.

The DEG has a minority interest in Cameroon Shipping Lines S.A. and has granted a loan with certain ownership rights of 5 million DM to finance an expansion investment. Majority ownership of the Cameroon shipping line is held by the nation's government and the state development bank Société Nationale d'Investissement (SNI), Yaoundé. German technical partner is the Unimar Satransportgesellschaft mbH, Hamburg. The DEG also holds an interest in the two textile firms Cotonnière Industrielle du Cameroun S.A. (Cicam), Douala-Bassa, and Société Camerounaise pour la Fabrication des Tissus Synthétiques S.A. (Syntecam), Douala-Bassa. Cicam is engaged in the manufacture of cotton textiles. Syntecam operates a synthetics weaving mill.

In spite of strong French competition, Cameroon, when importing color television, decided in favor of the German PAL-system (AEG-Telefunken). The order for the import of color television was received by a German-French consortium to which belong the Robert Bosch GmbH, Stuttgart, and the two French Firms Thomson-CSF and Sodeteg. The division Television Systems of Robert Bosch GmbH in Darmstadt is responsible for the entire video-technical equipment. The order value for the German firm amounts to 74 million DM in round figures. The Bosch supply schedule includes, among others, six transmission vans and generators for independent power supply, as well as the furnishing of eight studios. Within the framework of the project scheduled to be completed in 1986, the Robert Bosch GmbH has also agreed to train specialized personnel.

In February 1986 the FRG has granted Cameroon a capital aid loan in the amount of 12.9 million DM for radio equipment for the railroad system (Regie Nationale des Chemins de Fer du Cameroun-Refigercam, Douala). The project, which requires a total capital investment expenditure of 30.3 million DM, comprises the installation of train radio telephony for the transcameroon train Douala-Yaoundé-Ngaoundéré and of a VHF-directional radio link for the section Yaoundé-Ngaoundéré, as well as telephone and telegraph systems. The balance is financed with a financial credit from the Credit Institute for Rehabilitation (KfW), Frankfurt. Work on the project is scheduled to start in mid-1987.

In 1983, a German capital aid was advanced in the amount of 65 million DM for completion of the section Eséka-Maloumé (32 kilometers) of the trans-cameroon railroad which is executed on a new line and includes three tunnels. Prior to that, three sections Yaoundé-Maloumé (1978), Douala-Edéa (1981) and Edéa-Eséka (1982) had already been rerouted and started up. Following completion of these three sections a German-Italian consortium, to which Hochtief AG, Essen and Costruzioni Generali Farsuri (Cogefar), Milano, belong, also received the order for the fourth and final section, where earth- and tunnel-construction work is progressing on schedule. Another name on the list of German construction firms active in Cameroon is Dyckerhoff & Widmann AG (Dywidag), Munich. This company has recently completed the installation of the International Airport Garoua with airplane hangars, parking and service areas as well as administrative buildings. In the meantime Dywidag has started construction of a bridge over the river Faro. In both projects the Dywidag and Dr Ing Trapp & Co. Construction GmbH, Wesel, worked as a team. The latter firm, which previously had already completed road construction projects in Cameroon, is represented in Cameroon by a subsidiary and had taken charge of the airport project. The Thyssen Henschel Company, Kassel, supplied three telescopic gangways for the Garoua airport with the extraordinary length of up to 47 meter.

The Wayss & Freytag AG, Frankfurt, has been represented in Cameroon since 1981 by their subsidiary Wayss & Freytag Cameroun S.A. This firm is building the highway Maltam-Kousseri and has started work on another road construction project (Waza-Tilde).

In November 1985 the FRG granted Cameroon a loan of 9.1 million DM for a project planned by the port authority of the nation (Office National des Ports du Cameroun-ONPC, Douala), which will require an investment of a total of 22.2 million DM. This project is intended to make a major contribution toward ensuring smooth navigation on the approximately 45-kilometer-long approach to the harbor of Douala. More specifically, the project includes acquisition of a buoy-fixing machine, replacement of and addition to the buoyage system of the harbor approach Douala plus expansion of the existing navigational markers shop. The financing balance of the project (12.8 million DM) is secured through a KfW financial credit.

More recently, German engineering consultant firms have been successful in becoming involved in Cameroon development projects. The Uniconsult United Transport Consulting GmbH, Hamburg, prepared studies on oil transport, the establishment of a duty-free zone (UDEAC/CHAD) and training in the maritime sector. They also received the assignment as stowage consultants and consultants for container handling. As a consortial partner, the Dorsch Consult Ingenieurgesellschaft mbH, Munich, was put in charge of preparing a study for the hydropower plant on the Kadey river in the eastern province, which is to be erected by the Société Nationale d'Electricité du Cameroun (Sonel) with an installed power of about 15 megawatt. Dr Ing Walter GmbH & Co. KG International (Diwi), Essen, was engaged to make a study in Cameroon on city streets in Douala. Furthermore, they received, as a consortial partner, consulting assignments during construction of the roads Bafia-Tonga and Bafia-Bokito.

The Dr Holfelder Planungsgesellschaft mbH, Freiburg/Breisgau was included in a road project concerning the new construction of the asphalt road Edéca-Kribi (110 km long; 11.0 m total width). This also includes the building of two bridges having a length of 200 meter each. The Inco Ingenieur-Consortium GmbH, Darmstadt, is consultant for the water supply system of eleven cities. The Africa Asien Bureau-Gesellschaft fuer Entwicklungsplanung Kasching + Partner mbH, Cologne, was charged with the preparation of a study on pineapple processing, and Agropgress Kienbaum International GmbH, Bonn, promotes agrotechnical training.

AHT Agrar- und Hydrotechnik GmbH, Essen, is consultant to the project Bamenda-Avenant 3. The Deutsche Eisenbahn Consulting GmbH (DEC), Frankfurt, as a consortial partner, was given the assignment of preparing a competitive study of the railroad. Experts of the government-owned Deutsche Gesellschaft fuer Technische Zusammenarbeit (GTZ) GmbH, Eschborn, for several years have collaborated towards the realization of the government development program ("Renouveau Camerounais") which, among others, supports small and medium-size operations.

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DJIBOUTI

POLICE GETTING MAINTENANCE SHOP, RADIO NETWORKS FROM FRG ARMY

Bonn WEHRDIENST in German 7 Apr 86 pp 1, 2

[Unattributed article: "At Present, the FRG Army is Building in Djibouti a Motor Vehicle Maintenance Center, a VHF Municipal Radio Network and a Nation-wide HF Radio Network"]

[Text] The funds for this are flowing from the foreign ministry's equipment assistance for developing countries. The telecommunication networks will later be operated by the Djibouti police department (Force Nationale de Securite/FNS). On the state of development: at present, the HF radio network consists of 17 fixed radio stations, six of which are supplied by solar power. The VHF municipal radio network has been drafted and acquisitions are underway. The telecommunication shop is operating, preparatory work for expansion has been completed, instrument delivery is delayed, however, through the fault of the Koblenz BWB [Federal Agency of Military Engineering and Acquisitions]. The vehicle maintenance shop has been completed in the form of a large bay (80 x 20 m), electrical installations have been finished by army experts, the first machines are in place.

In phase I (1979-1981) the following, among others, were delivered for three million DM: 5 dump trucks, 8 flatbed trucks and one bus from Daimler-Benz, one wheel loader from Kaelble, one steam roller, one cement mixer 500 l; 2 cement mixers 100 l; 10 motorcycles R-45 from BMW (approx. 100 additional motorcycles have been purchased in the meantime by the army and police themselves), 34 cases of spare parts; 30 bulletproof vests.

In phase II (1982-1984) the following, among others, were delivered for 2.5 million DM: 8 jeeps 300 GD/Diesel and one passenger car 230 (for the interior minister) from Daimler-Benz; one ILTIS-jeep from Volkswagen; from army inventory 9 box-type trucks and 15 flat-bed trucks 5 metric t from MAN, automotive spare parts and tools; one prefab structure (motor vehicle repair garage); 1,500 pairs of lace-type army boots; 1,500 moleskin army jackets; 6 sports parachutes; army medications; 5 radio stations 100 W/HF and 9 radio stations 20 W/HF from AEG; 6 voice scramblers Telecrypt Mini; six local-battery telephone switchboard systems including field telephones as autonomous small telephone networks in four provincial capitals; telecommunications spare parts, original equipment telecommunications shop; musical instruments.

In phase III (1985-1987) the following, among others, shall be delivered for 4 million DM: Equipment for the motor vehicle maintenance center; 4 Diesel passenger cars GOLF and one Diesel passenger car JETTA from VW, a jeep 300 GD from Daimler-Benz; 2 VW-minibuses for accident recording; two more for first aid and crew transportation; one flat-bed van VW CADDY; one forklift from Still; 10 BMW-motorcycles R-45; one fully equipped VHF municipal radio network (1 central radio station; 1 radio substation; 3 relay centers; 310 radio stations); one fully equipped telecommunications repair laboratory with measuring and repair instruments; telecommunication and automotive spare parts; musical instruments.

Planning for phases IV (1988-1990) and V (1991-1994) is already underway at the BMVg-Department [not further identified] Rue II 4.

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ETHIOPIA

NEW POLICY SEEN IN RELEASE OF 67 CHURCH LEADERS

Oslo AFTENPOSTEN in Norwegian 6 May 86 p 12

[Article by Trond Bø: "Ethiopian Church Leaders Set Free"]

[Text] Sixty-seven Ethiopian church leaders from Wollega Province were set free from prisons on Sunday, 4 May. Several of them had sat in prison since 1980. Among those who were released is the former synod president of the West Synod of the Mekane Yesus Church, Olana Lamu.

"Our missionaries in Ethiopia express the fact that they now perceive a positive change in the authorities' attitude toward the church. Sunday, 4 May, is Easter Sunday according to the Ethiopian calendar," Norwegian Mission Society Information Chief Halvor Ingebretsen says to AFTENPOSTEN.

Several of the 67 church leaders have sat in prison for almost six years without trial and sentencing. Church President Olana Lamu and five of his closest associates were arrested on 12 September 1982 on the eighth anniversary of the Ethiopian revolution. They were accused of having written posters with anti-revolutionary slogans in the city of Bodji in West Ethiopia, where the synod leadership had its offices. An investigation commission appointed by the Ethiopian government later found that the church leaders were innocent of the charges, but the church leaders were nevertheless not set free. After the government commission found the charges groundless, the opposition by the local authorities and officials against the church in West Ethiopia assumed a more general nature.

Seven Thousand Imprisoned

A report which was published by the church news bureau, the All-Africa Press Service (APS), earlier this year indicates that almost 7000 Christians have been imprisoned in Ethiopia. The APS report points out that some of the 7000 were arrested because of political underground activities in the rebel organization, but this does not cover the authorities' systematic acts of tyranny against the church all the way from 1977. As part of this, the country's authorities have imprisoned almost 7000 Christians and confiscated about 2000 churches.

The Norwegian Mission Society has several times taken the initiative to get Ethiopian Christians and church leaders released from prisons. At the annual Geilo meeting General Secretary Odd Bondevik began speaking of an international investigation of conditions for Christians and other persecuted people in Ethiopia. Bondevik's initiative was followed up with a letter to Amnesty International in London, which has taken up the case. The persecution of Christians in Ethiopia was also taken up in the Danish Folketing [Parliament] after the statements by the general secretary of the Norwegian Mission Society.

The mission society also contacted Aid Minister Reidun Brusletten and delivered to her a list of imprisoned Christians and church leaders when she was to visit Ethiopia in the fall of 1984. Cabinet Member Brusletten took the question up with the Ethiopian authorities during her visit, but did not immediately receive an answer to whether the communication would be acted on.

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CSO: 3639/109

LESOTHO

BRIEFS

HIGHLANDS WATER PROJECT--Official go-ahead for the multi-billion rand Lesotho Highlands water scheme is expected early next month. Foreign Affairs department deputy director-general Neil van Heerden said yesterday the draft of the final bilateral treaty between South Africa and Lesotho was being examined by lawyers at present. The scheme will push 70 cubic metres of water a second into the Vaal Dam when the source of the Orange River, high in north-eastern Lesotho, is dammed. Construction will cost R2,2bn while infrastructure and financing will add a further R1,8bn.
[Text] [Johannesburg BUSINESS DAY in English 27 May 86 p 1] /9317

CSO: 3400/014

10 July 1986

SWAZILAND

POLITICAL BALANCING ACT OF AFRICA'S 'SWITZERLAND' SUCCESSFUL

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 2 Jun 86 p 12

[Article by Robert Lucius: "Swaziland's Successful Balancing Act: The 'Switzerland of Africa' on the Way to Economic Prosperity Despite Political Difficulties"]

[Text] Mbabane, 1 Jun 86--The middle of last week, 18-year-old King Mswati III of Swaziland dissolved the Liqogo, the crown council, and thereby further consolidated his role a few weeks after his coronation. The next day, Prince Mfansibili Dlamini, a cousin of the new king, was sentenced to 7 years imprisonment because he had put several innocent politicians behind bars. After these two events, it is possible--although there are still rumors of an impending reshuffling of the cabinet--that several years of unstable conditions in the small country in the south of Africa could be over, years that were characterized by power struggles, palace intrigues and reciprocal arrests. The kingship, however, was secured even before the coronation of King Mswati III at the end of April: in the turbulence following the death of the previous King Sobhuza II in the fall of 1982, it was always a matter of power and benefits but not of political directions or of an attempted overthrow. The loyalty of the 630,000 or so Swazis to the ancient dynasty was always solid. A common language, tradition and history have created an unusually homogeneous population for African conditions.

After the death of Sobhuza, the kingdom was governed by the Liqogo, a council of elders with about 15 members. Chiefs, princes and some "normal" citizens belonged to this council, the exact number of members being unknown. At the top was a queen regent, one of the perhaps 150 wives of Sobhuza. The power struggle had begun at the beginning of 1983. The prime minister had Prince Mfansibili arrested. A few days later, however, he was released and the prime minister, who now lives in exile in a South African "homeland," was dismissed; Prince Bhekimpi became the new prime minister. Three months later, in turn, the queen regent was replaced by another wife of the deceased monarch, by Ntombi, the mother of the crown prince. Mfansibili and George Msibi, a physician and businessman, became the most influential figures in the country. When the finance minister accused the two--they are called "bad boys" in the vernacular--of tax and customs smuggling, he was dismissed and arrested. Two army and two police chiefs followed him into prison.

At the end of last year, however, the power of the two "bad boys" was reduced. That was obviously attributable to the influence of the then crown prince Makhosetive, now King Mswati III. It is said that the then 17-year-old asked his mother, the queen regent, to break off all contact with the two while he attended school in southern England. They were dismissed from the Likoqo. This now-dissolved council of elders lost its comprehensive competencies and was degraded to an advisory body for the government. In terms of the Swazi tradition, this was practically a putsch. At the beginning of the year, Mfansibili was arrested and Msibi put under house arrest; six passports were taken from him. The finance minister, on the other hand, just as the former police and army chiefs, was released from confinement (which led to congratulations from several African chiefs of state.) Thus the influence of the clique of the two "bad boys," who are accused of corruption, weapons smuggling, fraud and malfeasance, has not yet been broken. They obviously still enjoy support in the government. There are rumors of ongoing power struggles in the royal household. A group of about 20 European mercenaries supposedly attempted to free Mfansibili from detention during the weekend of the coronation. The intelligence services of South Africa and Mozambique had warned the government in Mbabane and most of the mercenaries were arrested.

South Africa and Mozambique--the racist country and the Marxist people's republic--determine, indirectly at least, the politics of Swaziland. The kingdom has largely been successful in staying out of the disputes of the two neighboring countries that surround Swaziland. If Swaziland were to tend too strongly in one direction or another, thinks Swazi Foreign Minister Mnisi, then the aircraft of one or other of the nations could "destroy Swaziland within 15 minutes." South Africa could cut off the exports of the country, which depends upon South African ports.

Swaziland is making a virtue of necessity and that is not difficult, for the population is conservative and aware of its traditions. The Swazi Government is attempting to act as a mediator between Pretoria and the resistance movement African National Congress (ANC), which is forbidden in South Africa and which, in accordance with an initially secret agreement between Mbabane and Pretoria, is not, to be sure, tolerated in the country, despite the large number of political refugees that the Swazis are taking in from both neighboring countries. Thus Swaziland is the only country in the region that has not already been attacked by the South African military. The ANC, says the foreign minister, understands the difficult position of Swaziland. Its population should not have to suffer like that of Mozambique.

Mnisi rejects the hypocritical position of other independent states in the south and east of Africa: they "are the good boys, Swaziland is not" because of its contacts to South Africa. But he has to travel to Pretoria to buy foodstuffs and farm equipment on behalf of Tanzania, for example, but supposedly on his own, which Tanzania then takes over from Swaziland "by night." One of the reasons for the uncramped behavior of the state that has been independent of Great Britain since 1968 may be that the Swazis have never fought against whites. Race relations in Swaziland are relaxed and were never a central issue.

The country is small, to be sure, but it has strategic importance in its boundary position between South Africa and that country's other black neighbors. An indicator for this could be the at times strong American presence. Industry has also recognized this. In recent months, more and more enterprises have established themselves in Swaziland. There are waiting lists for developed industrial sites.

Firms that are being frightened off by the disinvestment campaign against Pretoria and the political uncertainty there are moving to Swaziland. This is especially true for companies from the Far East. There are no calls for boycotts there as in South Africa. Swazi Minister of Commerce Von Wissell--his ancestors initially emigrated from Germany to South Africa in the last century and then to Swaziland--thereby rejects the withdrawal of investments from South Africa (disinvestment) and sanctions against Pretoria. Swaziland would possibly suffer more under this than South Africa; its economy and well-being are dependent upon its large neighbor. Nothing is changed by the fact that in April Mbabane withdrew from the monetary union with South Africa and Lesotho. It is a constant balancing act that has given Swaziland--compared with other African nations--economic prosperity and made possible tranquillity in its daily life. Thus the kingdom is also called the "Switzerland of Africa": neutral, oriented to the West, isolated and hardly noticed, because everything is going rather well.

9746

CSO: 3420/38

SWAZILAND

BRIEFS

WOMEN'S GROUP NOW RECOGNIZED--Mbabane--Women in Swaziland were yesterday celebrating the beginning of a new era and the end of traditional discrimination following the announcement at the weekend of the recognition of women's groups. On the instructions of the Queen Regent, the Minister of the Interior, Mr King Mtetwa, told a women's meeting at the Swaziland University on Saturday that women's organisations may now establish a national office to co-ordinate their activities. This means Swazi women of "ability and ambition" will be accepted in the public and private sectors as equals with males. They will be able to compete with traditional discrimination. The acting vice-chancellor of the university, Prof Lydia Makhubu, told the meeting one of the priorities of women would be to review and make recommendations about Swazi laws.--Sapa [Text] [Johannesburg THE STAR in English 3 Jun 86 p 6] /9317

SWAZI-RSA DAM PLANNED--Cape Town--A government report on the proposed joint Swaziland-South Africa dam on the Komati River proposes that a start should be made on the R203 million project in April 1987. Water storage will begin in 1991 and the project will be completed during 1992-93, according to the report tabled in Parliament yesterday. The area involved is partly within the Nkomazi region of KaNgwane, owned by the SA Development Trust, and partly within Swaziland. The value of the land will be a factor in considering the cost share to be borne by SA and Swaziland for the first phase development of the resources of the Komati River Basin. This will comprise the Driekoppies Dam, with an estimated final cost of R203 million and the Maguga Dam in Swaziland, costing about R160 million. A joint permanent technical commission will be set up to represent the two governments, said the report. Water will be available for vital irrigation projects in the Onderberg region, for new developments in KaNgwane, and for pumping to the coalfields of the Eastern Transvaal. [Text] [Johannesburg THE CITIZEN in English 21 May 86 p 1] /9317

REFUGEES FACING SHORTAGE OF FOOD--Mbabane--Thousand of Mozambican and South African refugees in Swaziland are facing a serious food shortage as a result of the continuing influx of refugees. The principal secretary in the Ministry of the Interior, Mr Vusi Dlamini, said in an interview on Wednesday that the next consignment of food supplies from the World Food Programme was not due to arrive until September. Refugees in the country rely heavily on food from the WFP as well as shelter and clothing provided

by the Swaziland government, the World Lutheran Foundation and other aid organisations. Mr Dlamini said the food situation for refugees had been worsened by the poor harvest of cotton this year, the sale of which has helped the refugees in their resettlement areas to be self-sufficient. But he added that government was conducting urgent negotiations with donor agencies and non-government organisations to help solve the problem. He said the government was also attempting to purchase more land to allow more refugees to farm.--Sapa [Test] [Johannesburg THE CITIZEN in English 6 Jun 86 p 15] /9317

CSO: 3400/014

SOUTH AFRICA

NEW LEGISLATION TO HAVE STABILIZING EFFECT

Cape Town DIE BURGER in Afrikaans 15 May 86 p 12

[Editorial: "Black Property Ownership"]

[Text] The trite comment of "merely cosmetic" and "too little too late" in regard to reforms in South Africa is becoming more and more ludicrous as the government progresses along its chosen path. The more rapid tempo in which practical application is being given to previous promises of reform makes a mockery of the doubt which ill-disposed persons have always attempted to sow concerning the sincerity of the government's intentions.

Thus, for example, has yet more progress been made towards the ideal of equal treatment of all communities in the country with the publication, day before yesterday, of legislation which will grant full property ownership rights to black people in black urban areas. The stabilizing role which ownership of property can play within the black communities, can scarcely be over-estimated.

What makes the new legislation even more positive is the promise that the establishing of new black villages is going to be streamlined. It is necessary to give urgent attention to this above all, because few things are so frustrating as the red tape which is still associated with village establishment. When some weeks ago an explanation concerning the abolition of influx control was given at an international news conference, the promise was quite properly made that more land for urban settlement would be made available and building regulations would be changed and applied more flexibly.

This week's legislation regarding black property ownership rights will certainly make new demands on the state. At the same time it opens the door for the private sector to seize opportunities which can mean profits not only from a business point of view, but can also help to build towards a more stable South Africa.

13238/9312
CSO: 3401/148

SOUTH AFRICA

RIGHT-WING PARTY LEADER WARNS AGAINST TALKS WITH ANC

Pretoria DIE AFRIKANER in Afrikaans 14 May 86 p 1

[Text] A serious warning not to negotiate with the ANC was addressed to the government by the leader of the HPN [Reconstituted National Party], Mr Jaap Marais. The HPN leader sways that negotiations with the ANC would lead to yet greater destabilization and accelerated momentum toward revolution.

Mr Marais' warning follows reliable reports that the government is going to lift the ban on the ANC, is going to enter into negotiations with the organization, and is going to release the ANC leader, Nelson Mandela, in exchange for a suspension of violence by the terrorist organization. The NP [National Party] had previously declared itself willing to hold discussions with the so-called "nationalistic" part of the ANC.

In an announcement which was released in Pretoria, Mr Marais says that the "National" Party's contention that one can talk with the "nationalistic" part of the ANC is a conspicuous excuse for further capitulation to foreign pressure.

"The ANC is a communist organization which is at war with South Africa and at the same time, according to communist practice, wants to create a revolution in South Africa.

"Any gesture towards negotiating with the ANC is a recognition on the part of South Africa that the government sees no chance of winning the struggle against the ANC and therefore wishes to go to the conference table to make peace.

"If negotiations with the ANC are entered into, it will only lead to greater destabilization and increased momentum towards revolution.

"It is not true that the ANC cannot be defeated. It is only the Botha government's unwillingness to conclude the terrorist war that allows the war to continue in this way. If economic measures were taken against Zimbabwe and Zambia by closing South Africa's borders and providing no rail transport or fuel to those states, the ANC would be obliged to withdraw, just as in Lesotho when the South African government acted similarly.

"End the terrorist war in such a manner and tackle the ANC/UDF [United Democratic Front] rioters in earnest. Only in this way will South Africa be brought to equilibrium again," declares Mr Marais.

The proposal for the lifting of the ban on the ANC was made by the UN delegation which visited South Africa some weeks ago. The reaction of the South African government was reportedly so favorable that the delegation will arrive in the Republic within several days on a second visit.

The latest developments surrounding the ANC follow on the heels of an audacious declaration of war on South Africa by the ANC. A representative of the ANC recently declared on television that his organization was not all impressed with the abolition of the passbook and influx control. The ANC is long past that stage and now strives only for total political power, he said.

In political circles these statements, along with the intensified terrorist attack which the Republic is now experiencing, are seen as a final proof of the government's failed policy of negotiation. The ANC can clearly not be satisfied by any concessions such as that which is now again under consideration.

13238/9312

CSO: 3401/152

10 July 1986

SOUTH AFRICA

PRETORIA'S CONSERVATIVES REJECT REGIONAL SERVICE COUNCILS

Pretoria DIE AFRIKANER in Afrikaans 14 May 86 p 5

[Text] The majority of Pretoria residents, along with the HNP [Reconstituted National Party], reject Regional Service Councils. Thus declare the six members of the HNP on the Pretoria City Council in a letter to the Delimitation Board for Local Government Districts.

The HNP members--Dr Piet Barnaard and Messrs Joseph Chirole, Japie Leeuwner, Thys Basson, Roland Davies and Eben Geldenhuys--wrote to the Delimitation Board as a result of a resolution of the City Council at its most recent meeting concerning Regional Service Councils. The City Council acquiesced in the proposed borders of the planned Regional Service Council without debating the principle.

The recommendation of the City Council of Pretoria is not really a complete picture of the true situation in Pretoria, the HNP City Council members explain. It must be kept in mind that the six HNP council members and the four KP [Conservative Party] council members were not in the council chamber out of protest at the time of the vote on the recommendation as a result of the mayor's ruling, and that the recommendation would have been adopted by only 19 votes to approximately 15 under other circumstances. The HNP council members decided to leave the council chamber out of protest against the mayor's ruling that a discussion could be conducted only in regard to the borders and not about certain other items as well. A fairer recommendation by Pretoria's City Council would therefore also have contained the majority decision, but would also have at least made mention of the strong protest against the establishment of the planned Regional Service Council, says the letter.

"To put the matter further in perspective, it is of cardinal importance to take into consideration that the swing to the right in Pretoria is already of such a nature and extent--and the statistics of the by-elections prove it--that the HNP and KP council members will be in the majority after the next general election if the HNP is successful in its attempts to induce the KP to cooperate. The fact of the matter is, therefore, that the majority of white residents support the HNP standpoint in regard to Regional Service Councils. As you will understand what problems in terms of the Regional Service Council Act could arise for such Regional Service Council if the representatives of a

city council with Pretoria's voting power took a position in accordance with their convictions, it would be more judicious that such a Regional Service Council not be established."

The HNP members say that they take a firm stand against the establishment of Regional Service Councils; of the reasons for this, the following are the most important:

--It is an integrated administrative body which is responsible for providing services at the local government level;

--All the important tertiary-level functions will be located in the Regional Service Councils and white local authorities' functions will be of such an inferior nature that they will probably disappear in time;

--The establishment of Regional Service Councils will necessarily result in the imposition of further drastic integration measures on the public;

--The voting power stipulations are of such a nature that non-whites get voting power at the expense of the whites. With the policy of the present government in regard to black urbanization and the redistribution of income, the Regional Service Council Act must ultimately result in control of the Regional Service Councils by non-whites;

--The establishment of Regional Service Councils will result in a yet greater subsidizing of non-whites by whites with resulting far-reaching implications for whites and white businesses as far as the financing of Regional Service Councils is concerned;

--Regional Service Councils are an instrument which lends itself to the transference to local authorities, with the attendant cost implications, of services which are performed by other governmental bodies at a loss.

The HNP City Council members give notice in the letter that they are going to make verbal representations to the Delimitation Board on 2 June.

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CSO: 3401/152

10 July 1986

SOUTH AFRICA

LOCAL ADMINISTRATION POLICE FORCE TO HELP RSA POLICE

Pretoria SERVAMUS in Afrikaans Mar 86 pp 14, 15

[Article by Capt. T. Heath: "Comrades in the Stuggle"; capitalized passages emphasized in original; first paragraph is SERVAMUS introduction]

[Text] For over 18 months now South Africa has been plagued by wide-spread, violent riots and disturbances, so much so that the State President has been compelled to declare a state of emergency in some districts.

In the struggle to combat the riots and maintain law and order, the SA [South African] Police are in the front line.

The SA Police carry out their task with distinction against tremendous odds, but coping with this places a heavy burden on available manpower. This means that fewer policemen are available to carry out general police duties.

That is why Minister of Law and Order Louis le Grange has proposed to increase the Force's numbers by some 11,000 in the next few years.

Something which will make an important contribution to helping cope with the burden on the SA Police, specifically in black residential areas, is the establishment of a Local Administration Police Force (municipal police).

The Black Local Administrations Act, Law 102 of 1982, provides for local administrations to hire persons to carry out police functions in black residential areas, under the stipulations of the law.

The purpose of this police force is not at all to take over the SA Police's task, but mainly rather to play a supporting role in the fight against crime and in the maintenance of law and order. Already, approval has been granted for 40 black local administrations and 4,832 positions for law enforcement officials (municipal policemen).

This police force, under the control of the Ministry of Constitutional development, is responsible for guaranteeing the security of the residents of its jurisdiction, maintaining law and order and preventing crime in that area, enforcing regulations under Article 27, and acting as messengers under black customary law.

The fact that the SA Police consider the municipal police's role as a supporting force to be an important one is clear from the police's involvement in training the municipal police.

At present municipal police are being trained at the following spots, nationwide, under the supervision and leadership of the SA Police:

SA Police Hammanskraal, East Cape Development Council (Port Elizabeth), SA Transport Services (Kirkwood-Slagboom), Kathlehong (Germiston), Soweto (Johannesburg), Zeerust (Mokhotu), SA Army (Lenz), Sebokeng (Vanderbijlpark), Bloemfontein (Iswopele), and Natalia (Wentworth).

A training committee was established, consisting of a representative from the Ministry of Constitutional Development and Planning, commanders of the training colleges, SA Army, SA Railways & Harbors Police, and SA Police. The committee is responsible for planning and coordinating all training. Lt. Col. A.J. Strauss of the Training and Manpower Development Section of SA Police Headquarters was instructed to monitor the training in cooperation with the Ministry of Constitutional Development and Planning.

So far 25 black and 10 white municipal policemen and members of the development councils have been trained at Hammanskraal as instructors and stationed at the various training colleges under the Ministry of Constitutional Development and Planning.

One of the seven training colleges is Mokutu [sic] Training College near Zeerust. This college is commanded by Chris Christiani. Not long ago SERVAMUS visited this college in order to see for itself what is being done here. The outstanding discipline maintained here and the men's neat uniforms were really impressive. I was saluted smartly and welcomed with a broad smile.

The visitor immediately notices the extremely neat grounds (not a single scrap of paper or cigarette butt in sight), magnificently ornamented with colorful flowers and green shrubs.

In his cool office (it gets warm in Zeerust!) Christiani confirmed my first impression, namely that in this college discipline is a matter of the highest priority.

The college was officially opened in July of last year, when the first group of 50 students began their training. The second group graduated on 27 February of this year. So far more than 1,000 persons have already been trained nationwide and it is expected to have some 6,000 [sic] trained members in the field by around April of this year, according to Christiani. In the next few years this force will be increased even further, he says.

Applicants must meet certain requirements, Christiani says. A matriculation certificate is demanded, but in some cases applicants with lower academic qualifications are considered. The applicant must be between 18 and 35 years of age and at least 1.6 m tall, with a chest measurement of at least 86.5 cm., and he must be medically fit. He cannot have a criminal record, and a positive security declaration is also required.

Candidates apply to the black local administration in whose area they wish to serve. After training lasting 3 months, they are sent back as municipal police officers to their various local administrations.

They are trained in marching, shooting, self defense, administrative and radio procedures, firefighting, first aid, Afrikaans, English, Criminal Law A and B, and local administration, along with receiving physical training.

After successful completion of the course, the local SA Police district commander swears them in as full-fledged peace officers with restricted powers in the area where they were hired.

The municipal policemen's great value lies in their mere presence. They wear simple uniforms laid down by legislation. This is a very neat and practical uniform, similar to the SA Police field uniform, but green. The

uniform is easy to pick out and noticeable, which emphasizes their presence. As their numbers increase, the municipal policemen will by their very presence play a larger and larger role in preventing crime and thus tremendously ease the task of the SA Police. Because they themselves live in the residential areas, they are very closely involved in their communities. They know the residents and can "pick up signals" in advance, Christiani says. They will also find it easier to win the confidence of the residents. They will be the eyes and ears of the SA Police in the residential areas and play an important role as informants.

There must be close cooperation between the municipal police and the SA Police. It is necessary to win their confidence and convince them that they have a large and important role to play in maintaining law and order and internal security, that their cooperation is appreciated and thought important, and that they are considered FULL-FLEDGED comrades in the struggle.

There WILL be those who react negatively to this new era in police work. Only a fool, however, would summarily dismiss their contributions as insignificant. It can work. According to Christiani, it has already been proved in practice. There are more applicants than can be accommodated at this time. They are carefully sifted and selected. Those who are finally accepted have a very positive attitude toward national security and other aspects of their task in maintaining law and order, Christiani says.

Now it is the task of the SA Police to give these men the right leadership and encouragement, so that they can be as effective as possible. Encourage good attitudes and mutual relations. It can only be to the good of ourselves and of our country and its people as a whole.

12593

CSO: 3401/147

SOUTH AFRICA

INTEGRATION OF ORIGINALLY WHITE UNIVERSITIES LEADING TO UNREST

Pretoria DIE AFRIKANER in Afrikaans 2 Apr 86 p 10

[Article: " 'White' Campuses Hotbeds of Unrest"; first paragraph is DIE AFRIKANER introduction]

[Text] The admission of thousands of non-whites to formerly white universities does not just rob them of their character; it will also gradually make them the scene of more and more political unrest.

Three representatives of the Angolan rebel movement Unita were shocked not long ago when threatening students at the Witwatersrand University campus prevented them from addressing a meeting.

The Unita representatives had to retreat amid shouts of "ANC!" "UDF!" and "Sellouts!" At points the Angolans were physically threatened by the some 200 students.

A visit by the Unita representatives to the campus of the University of Natal was cancelled for "security reasons."

The roughly 200 students who ran amok at Witwatersrand were almost entirely black.

This event is undoubtedly an indication of what is in store for white universities in South Africa: an increasing radicalization and the creation of a revolutionary climate on campus. Where in the past unrest occurred primarily at non-white universities--mainly at the University of the North and the University of West Cape Province--this same radical climate is now finding its way into white universities as the result of the unprecedented influx of non-white students.

Naturally English-speaking universities are in the forefront of integration. Even when there were still restrictions on the admission of non-white students, the English-speaking universities ignored them. They even challenged the authority of the state and openly declared themselves in favor of total integration.

Last year, for instance, the University of Cape Town (UCT) adopted a policy of "africanization." The ideal is for the student body to reflect the population of the country; in other words, in the end the majority of students at the university will be black. UCT has already made significant progress toward this goal. In only 4 years, 1981-1985, the number of non-white students has grown from 11.7 to 15 percent.

The UCT administration is making every effort to make the university a predominantly black institution as quickly as possible. Although they form only 15 percent of the total student body, in 1984 non-white students received around 53 percent of all scholarships and loans. And although only 2.7 [percent] of the students were black, they received 36 percent of all scholarships and loans administered by the university!

The UCT principal and vice-chancellor, Prof. Stewart Saunders, has also begun to seek financial help from abroad to blacken the university as quickly as possible. He and the rector-designate of the University of West Cape Province, Prof. Jakes Gerwel, visited the United States last year. There, various organizations promised them a great deal of help. Fifteen organizations attended a so-called "summit conference" to advance "non-racial" education in South Africa.

Professors Saunders and Gerwel are back in the United States right now for talks with a whole series of far-left organizations and individuals. Among those they will talk with are the U.S. Assistant Secretary of State for African Affairs, Dr. Chester Crocker; his deputy, Frank Wisner; the Carnegie Endowment for Peace; and the Council on Foreign Relations.

One of the things Prof. Saunders is going to propose is to relax admission requirements so that non-whites will find it easier to study at the university. The American organizations will no doubt give large sums of money to permit a larger number of non-white students to study at the UCT.

It is, however, not only the UCT that is working actively for a totally integrated campus. At Witwatersrand University the number of non-white students is increasing by an average of 10 percent a year, and in 1984 there were already almost 2,000 non-white students on that campus. In the same year 21 percent of the first year students at Rhodes University were non-white, while the number of non-whites at the University of Natal is increasing by about 12 percent a year.

According to an official publication, SA OORSIG, the number of non-white students on white universities is increasing by between 10 and 20 percent a year. At that rate, in a few years it will no longer be possible to describe universities like the UCT, Witwatersrand, Rhodes, and Natal as "white."

Afrikaner universities are following the example of their English-speaking peers. This year Stellenbosch University, which some 10 years ago would not play intervarsity against the UCT because the Ikey teams were mixed-race, will have 400 non-white students. White and non-white students already live together in at least one hostel. It is the declared policy of the rector, Prof. Mike de Vries, that the Group Areas Act must be altered to facilitate a "broader" admissions policy (as he calls it).

Pretoria University and the University of the Orange Free State too are following the example of the English-speaking universities. This year both of them have altered their admissions policy to permit them to admit more non-white students. It is expected that 20 non-whites will study at Pretoria University this year.

The government is not just looking on as traditionally white universities are gradually losing their character; it is actually easing the process by altering its policies. In 1983 it revoked the permit system by which every non-white student who wanted to study at a white university had to receive approval from the minister responsible. This was to be replaced by a quota system fixing the number of non-white students at white universities. This system, however, was never put into effect because the heads of the English-speaking universities were unwilling to accept it.

A permit system was kept in effect for some specialized fields of study (medicine, dentistry, etc.) because the state had spent large sums of money to create facilities at non-white universities. However, this restriction too was revoked earlier this year, which for all practical purposes has opened the white universities up to all races, subject of course to approval by the university administrations. At present, however, there is not a single white university with a policy of admitting only whites. All the universities are, to varying degrees, on the road toward increasingly multiracial student bodies.

The heads of Afrikaner universities like to state that the character of their institutions will remain unaltered. Just like the English-language universities, however, they face the problem that the camel's nose is under their tent flap too. At first just a few non-white students are admitted on the graduate level, with the excuse that they cannot study in those fields at non-white universities. Then some non-white students are admitted at the undergraduate level with the same excuse, and with the assurance that large numbers of non-whites will never be admitted and that non-white students will not live in the hostels. (The rector of the University of the Orange Free State, Prof. Wynand Mouton, recently gave this assurance.)

All these assurances and guarantees are broken in time, however, as the chain of events at Stellenbosch University so strikingly emphasizes. In the end the universities simply become multi-racial institutions.

The tremendous increase in non-white students at white universities will bring an increasing security risk. Many of the non-white students are extremely radical and university campuses cannot help but be hotbeds of political unrest in the future. The events at Witwatersrand are certainly the first precursor of this tendency. That fact that all "white" university campuses are deep in white areas certainly makes this prospect a cause for concern.

12593

CSO: 3401/136

10 July 1986

SOUTH AFRICA

CHECKS AND BALANCES SEEN ESSENTIAL TO DEMOCRACY

Cape Town DIE BURGER in Afrikaans 15 May 86 p 12

[Editorial: "Democracy Is Possible"]

[Text] One often hears the opinion that democracy is not attainable in South Africa with its ethnically heterogeneous population. That a successful democracy in South Africa is going to require more work than elsewhere in the West is indeed true. But it is equally true that a lasting solution in this country is not possible without democracy.

Mr Chris Heunis, Minister of Constitutional Development, again this week confirmed the government's attachment to democracy. Democracy is possible in South Africa, he said, and added that there can be debate as to the question of what kind of democracy is possible.

To wit, it must be kept in mind that democracy does not, as many people think, depend solely on things such as voting rights or the will of the majority in the sense of Western constitutional law. That all people must have, in one way or another, a share in the makeup of the government, is important, but the functioning of this mechanism can vary within the whole from community to community as their political culture and traditions differ.

There is also another cardinal aspect of democracy which has little to do with mere domination by the majority. It is the system of checks and balances which must prevent that too much power is concentrated in a person, group, or governmental authority. A too great concentration of power, experience teaches, just leads too often to misuse of power.

This system consists of constitutional institutions, such as the division of governmental powers--above all the existence of an independent judiciary--the Auditor-General, et al. There are also unofficial aspects, such as a free press, pressure groups and others.

The importance of such checks and balances can hardly be exaggerated. If they are fundamentally impaired, democracy is mortally wounded. Whatever system of political representation awaits South Africa, such checks and balances will have to remain essential aspects of any kind of democracy.

Mr Heunis' standpoint must be viewed against the background of renewed thinking concerning a Bill of Human Rights. Such a bill does not have to protect only individual rights, but can just as well perform the same function in regard to group rights. This too is an aspect of democracy which can play a useful role.

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SOUTH AFRICA

LABOR MP SAYS COMMUNITY DEVELOPMENT HOPE FOR FUTURE

Cape Town DIE BURGER in Afrikaans 8 May 86 p 3

[Text] The government's population development program would be very much more successful if black people, who constitute the overwhelming majority of the country's populace, had political authority and thus a say in the project themselves, says Mr Lluwellyn Landers, Deputy Minister of Population Development. The 39-year old Mr Landers, Labor MP for Mitchell's Plain, says the skepticism which some black people have would then be less. It would be easier to get through to them. Nonetheless great progress is being made with the program.

South Africa's two greatest challenges are political development and population development. And the two go together.

As far as political reform is concerned, a new system must be designed to give political authority to the black man as well. It is no longer a question of whether or not, but of how and when. Everyone in the country is talking about it.

"But even if we devise the very best system, it will not help us much if our socio-economic conditions are not sound. And the socio-economic conditions cannot be sound if there are too many people for the country's means."

In addition, one of the prerequisites for a democratic political dispensation is, in any case, that there be a certain measure of development and prosperity. Democracy does not flourish where high unemployment, poverty, and backwardness reign. A peaceful, orderly, and happy society is only possible if all the members of a population enjoy an acceptable standard of living and quality of life.

It does not matter what kind of government is in power in South Africa. That government, whether it be left-extremist or right-extremist, will still have to try to solve the problem of uncontrolled population growth. And if we do not succeed in time in considerably reducing the birthrate of the South African populace, the country will be plagued by unprecedented unemployment, famine, and political unrest.

The unfortunate turn which the latter can take Mr Landers himself saw and experienced the past year in his electoral district. The community there was wrenched by the death of a young boy in a grenade attack. Mr Landers himself has been a victim. He was seriously injured on 12 July last year when two Russian-made hand grenades were thrown into his bedroom in Mitchell's Plain. Hand grenade fragments were removed from his back in an emergency operation and he had to remain quite a while in the hospital.

But that belongs to the past. Since then he has completely recovered. He is now looking to the future and is struggling with, among other things, one of the other evils he mentioned: Unemployment. He is concerned about the high unemployment in his electoral district. "There are few things that demoralize a person more than to be unemployed," he says. And like all the other miseries, unemployment will only increase and become worse if the birthrate cannot be brought down to levels which can be borne by the resources and socio-economic means of the country. The present rapid population growth which the country is experiencing must be brought under control in time.

The Science Committee of the President's Council determined several years ago that South Africa's resources can bear no more than 80 million people. Mr Landers says the government has already made great progress with its program for population development. There is an increasing realization in all population groups that smaller families are in their own interests.

Although the methods which other countries employ to control their population numbers are being studied, he does not believe in drastic measures, such as sterilization which is practiced in India and legislation such as that in Red China which obliges a married couple to have no more than one child. He says he has reservations as to whether it can even succeed in Red China, a totalitarian state. In any case, force will never be able to be considered in South Africa because it is morally and politically unacceptable. And politics must be kept as far as possible out of the program.

The prime goal of the Population Development Program is to raise and maintain the living standard and quality of life of the population. The level of the quality of life is usually linked to the fulfillment of human needs. It is a difficult and slow process. Naturally everyone's standard of living cannot be raised immediately. Therefore the other important strategies are information and enlightenment.

"Our targets are naturally the underdeveloped and less privileged persons, also those in rural areas. On the farms of South Africa's approximately 75,000 farms between 5 and 6 million people live or work. The conditions of the farm-workers are in many cases precarious. We regard them as one of the important target groups whom we must reach.

"The farmers are involved and motivated to help us to reach that goal by the Foundation for Rural Community Development.

"We do not dictate to anyone. The strategy is to work through leaders. We merely point out the advantages of the program and attempt thereby to persuade people to accept it in their own interests."

The task of community development is to afford people in every village, in every city, and on every farm the opportunity to identify their own needs and to determine priorities and to become involved in development through, above all, self-help programs in order to at last determine their future themselves. Community development and the concomitant human involvement in it can contribute to the amelioration or partial elimination of poverty conditions that prevail in communities, while the neglect of them can lead to chronic community poverty. Every individual, farmer, worker, doctor, teacher etc. has a responsibility to make a contribution so that the goals of the Population Development Program can be attained.

"The Population Development Program is promoted by officials who are doing fieldwork. We call them community developers. And there are too few of them. We have quite correctly requested the Commission for Administration to authorize 120 more positions. We are attempting to place one in each community as far as is possible. Cities are assigned to various districts, while small villages are grouped together for this purpose," says Mr Landers.

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SOUTH AFRICA

RISE OF DUAL POWER, CREATION OF PEOPLE'S COMMITTEES

Lusaka SECHABA in English Apr 86 pp 25-30

[Article by Alex Mashinini]

[Text] South Africa has undoubtedly come to be one of the most volatile of conflict-torn areas in world politics today. The regime has plunged irretrievably into deep social, political and economic crisis. The declaration of the state of emergency is evidence, if any is needed, that the social engineering measures of the regime, presented as reforms, have dismally failed, and is a further acknowledgement on the part of the Botha clique that it has lost control over the government of the country. Apartheid is increasingly becoming unworkable. The level of mass political and military participation in the struggle for liberation has shown us the possibility of revolution.

The economy is in a shambles, and the prospects of recovery are as dim as those of political stability. Foreign investors are quitting the country in large numbers, and the threat of international economic sanctions is looming large.

Yet all these developments--a product of sacrifices, selflessness and determination by our people and their international friends--have brought new complex challenges.

How To Sharpen the Spear?

How, then, do we sharpen the spear to drive back the apartheid monster, and finally defeat it? Which methods and principles for revolutionary action should we employ to deepen the enemy crisis still further, to render the rule of the enemy ineffective and finally to smash him?

So far, much has been written on such strategic aspects of our revolution as protracted people's war, arming of the masses, embryonic forms of self-government and popular power, insurrection and so on--important questions at the present stage, ones which have been subject to much debate and discussion, and which cry for greater clarity.

Now, given the escalation of these campaigns in which the apartheid system is increasingly becoming unworkable, in which the country is rapidly degenerating into a state of complete ungovernability, and in which "the democratic movement has emerged as the alternative power,"¹ it goes without saying that these embryonic organs of power have to be strengthened, consolidated and developed.

What, then are the immediate and concrete tasks of the vanguard movement in providing leadership and guidance to these new revolutionary developments? Which concrete methods of organisation and slogans of mobilisation should the vanguard movement advance and pursue, to meet these new conditions of struggle?

The urgent task of the vanguard movement in these new conditions of struggle is to "transform these areas (no-go-areas) into mass revolutionary bases,"² through which we can realise our strategy of a people's war. We can do this by, among other things, creating in these areas local Revolutionary People's Committees, as a rallying slogan, and also as organs of self-government and popular power, and as organs of insurrection.

Is the slogan of creating Revolutionary People's Committees an appropriate one to meet the revolutionary demands of our times? Will it serve to show the mass of our people in their present endeavour to make apartheid unworkable and to render the country ungovernable, the aim and likely course of the revolution towards the armed seizure of power and its transfer into the hands of the democratic majority, for the establishment of a people's power? Why not, for example, refer to these organs as local People's Communes? These are questions of topical importance if our slogans, together with our mobilisation and organisational tasks are not to end up in revolutionary phrase-mongering and misguided actions!

A Rallying Slogan

We believe that these local committees, firstly as a rallying slogan, are not only appropriate, but revolutionary as well, precisely because they answer the question: What is to be done in those areas where the local organs of apartheid power have been destroyed by the people?

They are not only appropriate, but revolutionary as well, precisely because in those areas where the democratic movement has emerged as the alternative power, where the popular will has been asserted, the consolidation, strengthening and development of this alternative power can only be organised, created and guided. It is unthinkable that these forms of alternative power could be organised and guided without a clear strategy that maps out their organisation and guidance. Any approach which fails to recognise the need to organise, create and guide these forms of alternative power into Revolutionary People's Committees will not only be sheer idle talk, but will also be noxious to the whole course of the development of our revolution, for such an approach neglects this trend to its own spontaneity.

At such crucial and historic moments as the present one, we need a coherent, clear and unambiguous strategic perspective as regards these questions; not only for the purpose of greater understanding within the liberation movement itself, but also (and this is very important) because we must always strive to impart to our people the course of events in our national democratic revolution. We need to:

"advance our aims more comprehensively and boldly at such a time, so that our slogans shall always be in advance of the revolutionary initiative of the masses, serve as a beacon, reveal to them our democratic ideals...and show them the shortest and most direct route to complete, absolute and decisive victory." (V.I. Lenin, Two Tactics of Social Democracy.)

What do we mean by such concepts and categories as people's war, the arming of the masses, insurrection, embryonic forms of self-government and popular power, and so on, as they are related to South Africa's own set of concrete and historical conditions?

We should guard against a tendency to provide prescriptions and definitions which do not bear the least affinity to the essence of our national democratic revolution, and against amorphous approaches which collapse these concepts and categories into a whole, while failing to distinguish the order of priorities and the likely course and sequence of events in our revolution.

Here, we shall confine ourselves to discussing the issue of dual power, and embryonic forms of self-government and popular power.

Colonialism of a Special Type

The South African liberation movement describes the social, political and economic relationship prevailing in our country as that of colonialism of a special type. Unfortunately, this thesis is mostly understood in geographic terms, in which the coloniser (the White minority state) lives side by side, and coexists with the colonised (the Black majority), and also in terms of the relations of domination and subjugation.

But in terms of the revolution, this thesis cuts across the whole social fibre of South African society. It exposes and lays bare those conditions in South Africa which make it a reality that the struggle of the oppressed majority has to be waged along two dialectically connected lines.

When the struggle against White domination in South Africa came to a point where peaceful methods of struggle alone proved inadequate, the people became disillusioned with peaceful methods. Despite the enormous sacrifices and hardships it would entail, they were prepared to support the strategy of armed struggle and to participate in it. The first necessity then, was to embark on armed struggle as it could be conceived of in conditions of colonialism (see Strategy and Tactics of the ANC, adopted at the Morogoro Conference, 1969).

At the same time the highly developed capitalism of South Africa (a feature not found in any other colonial situation) has given rise to a large Black working class, relatively highly organised and class-conscious, with a political experience and maturity arising from half a century of mass political mobilisation. This brought to the fore of the struggle the issue of insurrection, as it can be conceived of in any highly developed capitalist country.

Mass Political Action and Armed Struggle

The objective existence of these two conditions serves as a material foundation for the strategy of combining mass political action with armed struggle, and gives meaning to it. They also expose those conditions in the South African revolution which make the relationship between armed struggle and insurrection a reality, and not an academic exercise.

Having said this, we should not lose sight of the fact that ours is a national democratic revolution, which seeks, by the application of revolutionary violence, to replace the present White racist minority rule with the majority, based on the democratic principles of the Freedom Charter.

We accept, not only in principle but also in all its implications, the eventuality of an armed uprising, an insurrection, as a culmination of the combination of mass political action with armed struggle. It then becomes necessary not only to seek to understand this relationship but also to emphasise, always, the particular needs and demands of the struggle that this necessity imposes on every stage of our revolution.

People's War

The liberation movement has adopted the strategy of a people's war. It is a war in which our entire nation is engaged--Umkhonto we Sizwe, the people's army, workers, the rural masses, women, students, intellectuals, the religious community and so on--collectively in groups, and as organised individuals. They use all forms of revolutionary warfare--armed and non-combat, legal and illegal--to attack and destroy all symbols, structures and organs of apartheid power, including all those who man them. The underlying principle here is that all these forms of revolutionary warfare, even those aimed at achieving certain short-term goals, should have as their long-term and fundamental objective, the total destruction of the South African system.

But the nature of our forces and those of the enemy makes it necessary that we protract our war. This, as a guiding principle, will offer us an opportunity to build, consolidate and develop our forces from our present weak position to that of material and moral superiority over the enemy.

Ours, therefore, is a protracted people's war as a means in a revolutionary process towards the ultimate build-up into an insurrectionary overthrow of the South African state.

What, then, are the immediate tasks of the vanguard movement at the present stage of our revolution? In which areas of activity should we put more emphasis in the development of our strategy of a people's war?

The journals and policy statements of the liberation movement have singled out certain areas of activity where we should move with urgency. These include consolidating and extending the underground structures of the ANC, the intensification of the armed struggle, the training and arming of the masses (see the ANC January 8th Message, 1986). We shall confine ourselves here to the issue of the emerging embryonic forms of self-government and popular power, and the creation of people's committees, in the belief that the other issues have been thoroughly (though not exhaustively) discussed and debated, and have become part of the day-to-day routine work of the vanguard movement in the execution of the struggle.

Dual Power

In executing the strategy of a people's war, the liberation movement, headed by the ANC, has evolved specific and concrete tactical offensive positions for our people to make apartheid unworkable and the country ungovernable. The enthusiasm with which our people carried this out shook, and is still shaking, even the most unconcerned observers both in South Africa and abroad. The campaign is sapping the central power of apartheid rule and stretching it to its limits, by destroying its local organs of administration and control. In most of the areas torn by upsurge, government-instituted community councils have been destroyed, and those who man them have either been killed or forced to resign. Black police and informers have been forced, through mass revolutionary violence, to quit most of the townships.

Thus, in several areas of the country, we have what the press has come to term 'no-go areas.' These are the areas in which the police have maintained a conspicuous absence, except when patrolling in large military convoys. In other areas, the people have not paid rent since September 1984!

Apartheid is increasingly becoming unworkable, and the country is rapidly degenerating into a state of complete ungovernability. How, then, do we appraise these developments? What tactical inroads have been made, what challenges are presented? What strategic shifts is the revolution likely to experience through the cumulative impact of these campaigns?

These are questions to which the vanguard movement must seriously address itself, not only for the purpose of its own inner clarity, but above all, to give aim, purpose, guidance and leadership to the mass democratic movement.

In South Africa today, the enemy can no longer rule in the same old way. There is a considerable measure of independent action on the part of the masses, who are enforcing their will, both against that of the ruling classes and parallel with it. As a result, there has emerged (but not yet on a national scale) a peculiar form of dual power, not in an administrative, but in a political sense.

Let us clarify what we actually mean by this peculiar form of dual power, so as to ward off any unwarranted optimism, which can only lead to a confusion of priorities.

Local Organs of Power Disintegrating

We are far from implying that two governments exist in South Africa today. Quite the contrary! There is still one central government in power, that of the racists, which still kills and maims our people, which taxes and exploits our people, which enacts laws and imposes them on our people. There is this difference: it is the racist government which has lost, and is still losing, control over its local organs of Black administration and law enforcement. It is a central government whose local organs of power are being gradually undermined by the masses, and indeed, are disintegrating. It is therefore a central government which, given the unabated continuity and escalation of these campaigns, will in the end remain a centre without reference co-ordinates, and therefore isolated and irrelevant.

But let us not lose sight of the fact that this is but an aspect (legislative and executive at Black local levels) of the South African apartheid system. Its state, whose purpose it is to protect and sustain by force of arms the rule of the White racist minority over the democratic majority, is still intact.

It is therefore in the light of this that the real power of the majority can only be achieved after the revolution has smashed and dismantled this state power.

"All revolutions are about state power. Ours is no exception." (ANC January 8th Message, 1986)

This, therefore, is the nature of this peculiar form of dual power, which signifies that the crisis of power has already dawned in the South African revolution.

But our analysis of this peculiar form of dual power would indeed be incomplete if we omitted to look into the significance of this development for the entire course of our revolution.

Embryonic Popular Power

First and foremost, this development signifies the emergence, still embryonic, still incipient, of organs of self-government and popular power. These are organs which have rejected the illegitimate rule of apartheid, which are challenging these areas, emerging, therefore, as the alternative power. They are, and should be seen as, what Lenin in Letters From Afar called "organs of insurrection," which, when that moment arrives, will be called upon to rise, arms in hands, and seize power.

Should we call them People's Communes? No. What if people ask (as they will, of course, do) what these communes are? The answer will unavoidably have to be provided by way of the historical experiences of the Paris Commune of 1871, which was defeated by counter-revolution. While we value the rich experiences of the Paris Commune, we should, at the same time, not live in the memories of the past. This can only:

"confuse the minds of the people with the distant echo of sonorous phrases or empty rhetoric. The more we cherish the memory of the Paris Commune, the less permissible it is to refer to it offhand, without analysing its mistakes, and the special conditions attending it." (V.I. Lenin, Two Tactics of Social Democracy)

We will call them Revolutionary People's Committees, precisely because they address themselves to the very essence of the popular and democratic nature of our revolution, which seeks to establish a People's Power.

We will call them Revolutionary People's Committees, precisely because they address themselves to, and seek to implement, the democratic provisions of the People's Charter--the Freedom Charter!

Tasks of the Committees

The urgent tasks of these People's Committees is to seek to implement the provisions of the Freedom Charter, by:

--Organising the masses and transforming the no-go areas into strong mass revolutionary bases to provide the ground for the growth and development of our people's army and for the escalation of our people's war,

--Transforming these areas into strong mass revolutionary bases to serve as organs of insurrection and self-government,

--Ensuring, through action, that the expelled and rejected organs of apartheid power do not return to these areas,

--Escalating, and spreading to yet unaffected areas, the campaign of making apartheid unworkable and rendering the country ungovernable, and other important issues.

It is clear from this that we are far from suggesting that these People's Committees, where they exist, should implement the democratic provisions of the Freedom Charter.

Mind-Defying Miracles of the Revolution

We deliberately used the term, "seek to implement" these provisions through the destruction of the local organs of apartheid power, through the combination of mass political action with armed struggle. To suggest, therefore, that these People's Committees cannot be created, let alone defended, on the basis of arguments that project the superior military

power of the apartheid state, is to lapse into the much-discredited 'theory of processes,' is to undermine the revolutionary potential of the masses (who in times of revolution are capable of mind-defying miracles) thereby negating the very essence of our revolutionary war, which is to fight and act, and to act and fight.

As revolutionaries, our duty is not to put obstacles before the revolution, but to surmount them.

"We must use our organised mass strength and, by attacking, consolidate our victorious emergence as the alternative power," (ANC January 8th Message, 1986)

In conclusion, let us dedicate a few words to the strategic benefits and advantages which will accrue from the creation, consolidation and development of Revolutionary People's Committees.

This becomes an issue of the utmost importance in the light of the present fluidity (this is objective) of the revolutionary upsurge inside the country, and which has opened vast avenues of possibilities. Among other things, there is the likely probability of a sustained nation-wide uprising, with nation-wide industrial and community action, continued students' boycott and upsurges throughout the country. This is not an expression of blind optimism or an attempt at 'revolutionary prophesying,' but, on the contrary, is a realisation that, as Clausewitz said, there is no form of human activity that:

"Stands so constantly and so generally in close connection with chance as war."

The calculation of probabilities should therefore, accompany the execution of war.

The creation, consolidation and development of Revolutionary People's Committees, both as organs of self-government and popular power and of insurrection, will therefore (and in any eventuality) serve as indicators to:

--How loyal the people are to the democratic ideals, programme and leadership of the vanguard movement, the ANC, and

--How organised they are in the townships, villages, districts, regions and finally, therefore, on a national scale.

The initiative is in our hands! Let us cling to it like grim death!

Footnotes:

1. ANC January 8th Message, 1986.
2. Ibid.

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SOUTH AFRICA

MAMELODI SEEN EXAMPLE OF SUCCESS OF PEOPLE'S POWER

Dar es Salaam DAILY NEWS in English 27 May 86 p 4

[Article by Marimuthu Subramoney]

[Text]

WHILE State President Pieter Botha has shored up his support among right-wingers in the white community through military attacks on neighbouring states, inside South Africa some black townships have become ungovernable.

An opposition MP told Parliament recently that in places government control "hardly extends further than the short shooting range of a patrolling Caspir as it moves through the township".

Botha's government is still in control of South Africa's railways, harbours, airports and military installations. Commercial centres, although emptied by consumer boycotts and threatened by limpet mine attacks, remain in business.

But governing black townships is increasingly becoming a logistical impossibility. They can only be besieged.

Mamelodi, a large black township east of Pretoria, strikingly illustrates the success of 'people's power' in defiance of the establishment. It still has its town council, Pretoria's substitute for genuine township government. And in the final analysis it remains at the army's mercy. But since last August the mayor and three councillors have resigned and those who remain are totally dependent on army protection.

As in many townships, the discredited council has been replaced by community organisations — in this case the Mamelodi Youth Organisation (MAYO) and the Mamelodi Parents Association (MPA).

They have been in the forefront of consumer boycotts and stay-away campaigns. They have mobilised the community around local issues and raised national demands.

Last June MAYO started street committees to weed out criminals who use political protest as a foil for more mercenary activities.

In November the town council stopped refuse collection in response to a widespread rent strike. The street committees extended their role to the collection of garbage. Then, with frugal resources, they began to build parks and rockeries in the dusty and desolate township.

An attempt to provide the community with its own judicial process and municipal service had begun following the shooting by police last November of 13 people in the township. A member of MAYO said: "After the killings we began a house-to-house campaign to get people not to associate with the police or the administration. We wanted to do everything on our own."

"We tried to persuade them not to pay rent or lay any charge at the police station. We would sort our own problems and allow the people to choose the best judgement at the people's courts. We realised that we were killing ourselves by paying rent and fines, because the government uses this money to buy hippos (armoured cars)."

Street committees are at the core of the new township organisation. They are elected to represent residents of a particular street and actively to maintain the level of political awareness.

The committee have been the major factor behind the success of the consumer boycotts in the Eastern Cape. In conjunction with these committees, "disciplinary committees" and "peoples' courts" have been created as alternate structures of authority and control in Mamelodi.

MAYO explains: "We tell the people that they do not have to go to the police stations and that their problems can be solved at the people's court."

"In each street there is a sectional delegate as well as a person who is nominated from the street committee to watch for criminals."

"If there is an accused a peoples' court is set up. Anyone can be involved and normally there are 20 to 30 people. If an accused wants to appeal a Court of Appeal meets every Sunday. The points is to rehabilitate a person."

According to MAYO's constitution, the objective of the disciplinary committees is to mobilise, organise and educate people politically.

MAYO says: "They are like a wing of MAYO used to maintain order and discipline. We are setting up branches in every section of the township. We want to show the people which line to follow in their politics."

"During the consumer boycott the disciplinary committees first issued pamphlets explaining why the people should stop buying from white shops. Then when some people continued buying the committee took away their food to the old-age home. We want people to feel the struggle."

MAYO is quite clear about the purpose of the new structures it is creating: "Once you cut the confidence of the people in government-created institutions, they become confident and begin to provide for themselves. They learn about their rights and when they get liberation they will be used to exercising them. We are after total liberation."

In the townships of Port Elizabeth and East London, the street committees have turned rage into disciplined protest. Faceless but efficient, they have ensured that community decisions are treated with the utmost respect and the need for solidarity is clearly understood.

For five months of a bitter consumer struggle they provided

a backbone of resistance, taking care of the aged, the infirm, the hunger; educating the weak, and providing the township with a vital communication network.

In the wake of their success, which saw the white business community brought to its knees, street committees have sprung up in nearly all the Eastern Cape townships and are spreading in the Transvaal, the townships

around Cape Town and even the townships dominated by Chief Gatsha Buthelezi's Inkatha tribal organisation in Durban.

Mkhuseli Jack, of the Port Elizabeth Youth Congress, says: "If we have people who doubt the need for unity in the struggle, we let the street committees educate them. They are very good at that."

The townships are not in military terms "liberated zones." Not yet. But the evidence is clear that together with the establishment of alternative structures of control township youths are beginning to defend their terrain. More and more police are coming under fire from behind township barricades.

Zwelakhe Sisulu, editor of the Johannesburg-based newspaper, the *New Nation*, says: "It is physically impossible for the security police to root out a street committee on every street of every township. It is a concept of organisation that is rapidly being developed and for which the police have no answer."

/9317

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SOUTH AFRICA

AZAPO CONDEMNS USE OF 'NECKLACE,' ADVOCATES

Johannesburg THE SUNDAY STAR in English 8 Jun 86 p 6

[Text]

USING strong language, various leaders of the Azanian People's Organisation (Azapo) and its related bodies yesterday condemned the "necklace" and its advocates.

The organisations said they had never used the "necklace" and would never advocate or condone its use — "it is only used by our ideological opponents against us and other blacks. Which one among the oppressors has ever been necklaced?"

At the same time, the groups reiterated their denunciation of a national convention to decide the country's constitutional future, and vowed that "even if necklaces and bullets are used to force us to agree to their terms, they will not succeed. We shall see to that".

Speakers were adamant that former Robben Island prisoner and Azapo member, Mr Martin Tebogo Mohau, at whose funeral the fiery attacks were made, was killed by ideological opponents of Azapo and the BC stand. A national organisation and its Soweto-based affiliate catering for students, were

named by every speaker as having been "totally" responsible for Mr Mohau's death.

A poignant moment came at the graveside when pieces of tyre which were found on Mr Mohau's remains were lowered with the coffin, as well as a spadeful of soil from the spot where he died.

Mr Mohau was murdered on the way back from the funeral of another Azapo member, Sipho Mngomezulu, who had himself been abducted and murdered.

After the funeral a false tip-off was received that the home of Azanian Students Movement executive member, Mr Thami Mcerwa, was being attacked.

A short while later minibuses full of soldiers stopped a carload of youths whom they ordered to stand with their hands raised.

The soldiers searched the group and their car and then, accompanied by a number of police vehicles which soon arrived on the scene, drove off with the youths.

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SOUTH AFRICA

COLUMNIST ON 'PRICE TO PAY FOR FREEDOM,' INEVITABILITY OF 16 JUNE

Johannesburg THE STAR in English 8 Jun 86 p 4

[Commentary by Percy Qoboza in "Percy's Itch" column]

[Text]

SOUTH AFRICA today starts what may be the most painful and cruel week in the history of this nation.

The rulers of the land have completely lost control of the sane processes of negotiation and seem tragically helpless to defuse the situation.

It seems they have settled for what comes naturally to them - bringing about order by the unbridled use of the bullet and throwing into jail anybody who even legitimately questions the morality of the policies they dare impose on us without our consent.

Uncertainty has become the order of the day. Insecurity abounds. Despondency has become a national pastime. Despair rules the hearts of the people. Anger is ravaging the soul of the nation.

Mothers and fathers are wondering what went wrong. Children seem determined to go to their cold and lonely graves with dignity as they strive to bring freedom and justice to the land.

We are truly an endangered species. A nation that has shamelessly abandoned the hope of a future based on the brotherhood of man and the promise of a land endowed with the resources to make life meaningful for all its children.

Our rulers are bent on destroying that dream. A dream of fulfilling ambitions and meeting the challenges of our times as we were meant to - in an atmosphere of freedom and justice.

Our people, with tears in their eyes and blood dripping from their hearts, are heading for June 16. It is a day deeply engraved in their hearts and minds. Evoking deep emotional reactions as December 16 does in the hearts and minds of the Afrikaner.

Yet Law and Order Minister Louis le Grange has, with astounding insensitivity, tried to bury the sense of loss and mourning we feel on that day.

One therefore understands the deep fires of outrage burning in our people at the moment. The Minister has, more than anybody else before him, inflicted a bleeding scar on our souls.

Heaven is our unwavering witness, we have been beaten up and we have borne the pain and returned it with love and forgiveness.

We have had our freedom brazenly violated as we are thrown into filthy prison cells for no apparent reason, and we have turned those places of incarceration into palaces of hope for a country that will be free one day.

We have had our loved ones brutally murdered and we have peacefully taken them to their last resting places knowing deep in our hearts that there is a price to pay for freedom.

Our leaders have spoken, appealed and begged in the most clear and unwavering voices. They have, from the bottom of their hearts, repeated the heartrending anguish of Moses: Let my people go because all happiness, human dignity and freedom comes not from the generosity of governments but from the hand of God.

In spite of the Law and Order Minister, the struggle for a just society in South Africa will continue unabated. We seek a country where all of its people – black and white – can be free.

The Minister can be assured peace and prosperity will be achieved, not by the bullets spouted from the guns of the army and police, but by men and women of goodwill sitting around the conference table.

And not based on a Nationalist Party program but on the program that emerges from a government that governs with the consent of the governed.

Even at this late stage, I make an earnest appeal to the Minister. An appeal that comes from the depth of my heart and based on my fear of what may happen – rescind your ban.

You must understand the deep sense of hurt you have inflicted on my community and all other peace-loving South Africans. The consequences of your actions could have mind-boggling results for this country.

The future and interests of this country must rise above misguided and uninformed actions like the one you have embarked upon.

June 16 is a reality, one that cannot be wiped away with the stroke of a bureaucratic pen – and the Minister better believe that.

/9317

CSO: 3400/004

SOUTH AFRICA

BRIEFS

STUDENTS BURN BOOKS--Thousands of school books went up in flames at Diepkloof high schools on Thursday. Students burned them after the Department of Education and Training closed schools on Wednesday instead of Friday--and because of the poor quality of stationery provided to students, they said. "We want adequate stationery and hard-cover note books instead of scribblers," said a Diepkloof SRC spokesman. The book-burning was unanimously supported by the Soweto Students' Congress' Diepkloof branch. Students from five high schools--Soviet (formerly Madibane), Joe Modise (Fedelitas), Moscow (Bopa-Senatla), Kathrada (Immaculata) and Libya (formerly Deepdale) gathered at Soviet High and made a bonfire out of the stationery. The SRC spokesman said students would disregard the DET's decision to close schools--and continue to go to school until June 16. "We want to show the government that DET no longer controls our schools. The people are starting to establish organs of self-rule," he said. Students demanded that DET provide adequate exercise books of 72 pages and hardcover notebooks, as well as rebuilding damaged schools and giving a speedy reply to their demands, the SRC spokesman said. He condemned the Law and Order Minister's ban on June 16 and Freedom Charter commemorations. "On June 16, all students, youths, parents and workers should commemorate this historic day in a dignified manner," he said. [Text] [Johannesburg CITY PRESS in English 8 Jun 86 p 4] /9317

VAAL STREET DEFENCE COMMITTEES--VAAL Civic Association has urged residents to form street defence committees to protect themselves against vigilante attacks, which have troubled townships lately. The VCA call follows the recent stonings of the houses of several community leaders and activists. Sharpeville Civic Association acting chairman Chipa Molefe said vigilantes were stoning houses for no apparent reason. "We call on residents to form street committees to defend themselves against these attacks. "Recently the Sharpeville houses of Reverend Tebogo Moselane--one of the Delmas treason trialists--and other prominent citizens were targets of these attacks," he said. Sharpeville Youth Congress has started searching people found in shebeens and on the streets for knives and other weapons. A spokesman said the weekend searches were to combat "killings and muggings which have been happening in the past few weeks." [Text] [Johannesburg CITY PRESS in English 8 Jun 86 p 4] /9317

10 July 1986

RED MEAT BOYCOTT--Bloemfontein--Black consumers in the Bloemfontein area are to boycott red meat from Monday at the request of representatives of various black unions in the city. About 90 percent of local businessmen are backing the boycott, which results from the abattoir's refusing to recognise the workers' union and dismissing the entire black work force following a recent strike. Butcheries in the township will sell chicken only. Shops and supermarkets have agreed to stop selling chicken to keep the butcheries functioning. If the abattoir fails to reinstate the black work force, a consumer boycott of white businesses will be launched.
[Text] [Johannesburg THE STAR in English 12 Jun 86 p 10] /9317

NO 'NECKLACE' IN TRANSKEI--Umtata--There had been no incidents of necklacing in Transkei, according to a Transkei, according to a Transkei police spokesman. He said Transkei police had not received instructions to "necklace" people found "necklacing" others. He was commenting on a radio broadcast quoting the Prime Minister, Chief George Matanzima, as saying the police would be instructed to do so. Chief Matanzima was not available for comment.--Sapa [Text] [Johannesburg THE STAR in English 12 Jun 86 p 7] /9317

CSO: 3400/004

10 July 1986

SOUTH AFRICA

PARALLELS BETWEEN ANC, ULTRA-RIGHT THREAT ANALYZED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 4 Jun 86 p 12

[Article by Andreas Razumovsky, Johannesburg, in June: "Botha's Right Flank Unprotected: The 'Folk Movement' Among the Boers Is Becoming a Serious Danger for the Government"]

[Text] A few days after their triumphal victory over the Government of South Africa and its Foreign Minister Pik Botha, who is also the deputy chairman of the National Party in Transvaal, the rightist "Afrikaaner Weerstandsbeweging" was allowed to celebrate its "Folk Movement" and its imminent "seizure of power" unmolested and completely to itself with several thousand supporters in a sports stadium at the place of their victory in the city of Pietersburg in the northern Transvaal. It is reported that "German folk songs were sung before the leader arrived" and one can well imagine the genre of these songs. They are sung every evening in one club or another in Pretoria. When leader Eugene TerreBlanche, the simple "son of the people," joined his own people there, he recalled with emotion the "night of the tear gas": this night will be commemorated as a South African anniversary and public holiday starting next year into all of eternity in the "Boer Republic" purged of racial aliens to be established under his leadership by then, "with force if necessary."

In Johannesburg, an alarmed citizens' committee has put up posters on which the nazi swastika and the derived three-pronged black "badge of honor" in a white circle with a red background of the "Afrikaaner Weerstandsbeweging" (AWB) stand side by side, with an appeal to the president of state not to follow the example of Hindenburg in dealing with this "movement." The English-language newspaper CITIZEN closely connected with the government warned against the fanatic "extremist movement that threatens to become just as dangerous as black radicalism that burns houses and people in the townships"; and the newspaper BEELD, printed in Afrikaans and likewise close to the "national" party leadership, found that it is indispensable to take immediate steps "to put a stop to this madness."

The "madness" has existed for some time. It is just that heretofore the responsible authorities have refused to acknowledge it. The AWB was founded back in 1973. And as long as 6 years ago, Van Jarsveld, the Afrikaner professor of history at Bloemfontein University, was literally tarred and feathered by Terre Blanche's thugs because he had recommended to the young

intelligentsia of his Boer countrymen not to take so literally the renowned story of the "alliance with God" that the Boers had entered into after their victory over the Zulus at "Bloodrivier" in 1838 following the example of the tribe of Israel in the Old Testament. Now, in all seriousness after the victory of his beer-inspired "storm troops" in brown shirts over the hall stewards of the National Party on 22 May, TerreBlanche has again sworn the "renewal of the alliance with our God of the Boers," thereby proclaiming himself, the "son of the people," to be the savior of the Boers.

As history teaches, insanity is infectious. After the black-white and the white-black front and the black-black civil war, which exact their dozen victims daily, the white-white confrontation is now growing almost inexorably into an open civil war. Parallel to the black-black conflict, in which every day it is a matter of finding "those betraying the just cause" and of making examples of them by practicing lynch law in their brutal extermination in the name of God and the revolution, a "conservative" element of the Afrikaners is now preparing to find and punish the "traitors" among their white countrymen in the name of God and the Boers.

In this case, the "treachery" is in seeking the reformistic settlement with all "races" and "ethnicities" living within the territory of South Africa. For the government, which continues to adhere to the program of its reforms, its recent distressing losses of authority and defeats against the AWB have resulted in a need to rethink several points. In the first place, it will have to take into account the circumstance that from now on it must fight against a perverse de facto coalition between the black ANC of the extreme left and the white ultraright AWB; since both have the common goal of bringing about an overthrow in the Republic of South Africa "before the end of this year," they will likely fight the government for a limited time before they attack one another, if not coordinated at least with a tacit understanding--just as lions that hunt together by driving the game toward each other from different directions.

The Botha government and the "national" party leadership find themselves in a Weimar dilemma. That they are just now becoming aware of this also has to do with the fact that their representatives are increasingly divided, both in regard to the assessment of the crisis and with respect to the means of handling it. When the full extent of the threat from the Right as well is just now being realized in the camp of the government and the question necessarily arises as to which side is most dangerous, then not only must the vehemence and the magnitude of the respective attacks be considered and weighed but also the usefulness of the available means and ready defense mechanisms. When Minister of Law and Order Le Grange so unilaterally and irresponsibly committed his people to the subjugation of the totalitarian "Marxist" black rebellion and let them get used to the idea that they are not subject to any control, then this minister will have to take responsibility for the fact that his police are not ready for action and are of no use against the totalitarian "folk" rebellion of the sons of the Boers and that consequently the right flank remains precariously unprotected. It will not be possible to employ the Van der Merwe with the gendarmes against the Van der Merwe with the "storm troops" of TerreBlanche, with those views he sympathizes anyway and to whom he is secretly considering deserting anyhow.

Just from the insight into this mechanism, for the time being one can hardly answer the question of which threat is greater for the republic today and will be in 1 or 2 years, the white threat from the Right or the black threat from the Left. In a fit of anger producing clear vision, Minister of Manpower Pitie du Plessis brought up their parallelism and their joint functioning for discussion in the Capetown parliament. Accordingly, there is an obvious similarity between the political apparatus of the ANC with its "military wing," the "Umkhonto we Sizwe," on the one hand, and the rightest parties with their military wing, the AWB, on the other. Both groups reject democratic institutions and the free market system and are fighting for a totalitarian social order through violent upheaval as well as for the nationalization of industry. Minister du Plessis has also noticed that, in the ultraright Afrikaner society with its countless organizations with a "folk-cultural" objective, a power struggle is under way in the course of the totalitarian radicalization about the position of the "leader." The present top officials, Pastor Treurnicht with the conservatives, Jaap Marais with the "Herstigen," and Professor of Theology Carel Boshof with the "Volkswacht" are, it appears, gradually being pushed into the background. Eugene TerreBlanche, the "leader" of the "resistance movement," seems to be the victorious one. It is interesting that before parliament Du Plessis named Ferdi Hartzenberg, the representative of the conservative party, as the only future rival for TerreBlanche in another stage of the internal fraternal strife still to be settled.

9746

CSO: 3420/40

SOUTH AFRICA

AD APPEALS TO WHITES TO USE FLOWERS IN SUPPORT OF SOWETO DAY

Johannesburg THE WEEKLY MAIL in English 6-12 Jun 86 p 13

[Text]

The 16th of June: What is it about?

The 16th June is remembered for those black students who in 1976 died in an attempt to change the ways in which they were being taught. Ten years later the spiral of violence and oppression continues.

White South Africans who care

Many white South Africans feel a profound sense of sadness and shame at what happened in Soweto in 1976, and at what continues to happen in 1986, and would like to express this in some way. Normal avenues of communication have been closed and so we search for a gesture to show black South Africans that we care, and that we too would like to see the creation of a just and open society in this country.

A flower as a symbol — cut out and display

As a symbol of your acknowledgement of the suffering in Soweto and elsewhere, we urge you to cut out the flower in this advert, colour it yellow, and stick it in the window of your car or some other prominent place. We hope that from today until the 16th June thousands of people will, by this act, show their belief that June 16th is a time when all South Africans should be in mourning.

Send flowers to Soweto

As a way of saying to the people of Soweto: "We care, and we mourn with you" help us create

a garland of flowers for Soweto. On the 14th and 15th of June bring fresh flowers either to your local church or synagogue, or to one of the following depots where flowers will be collected from the Johannesburg area. On Monday 16th these flowers will be taken to the entrances to Soweto. In addition tag your flowers with your message to the people of Soweto and encourage each member of your family to do likewise.

The following depots will be open between 9am and 7pm on the 14th and 15th June in order to receive your flowers: Berea Methodist Church, 40 St John Road, **Houghton**; Holy Trinity Catholic Church, Bertha Street, **Braamfontein**; St Columba's Presbyterian Church, 45 Lurgan Road, **Parkview**; St Michael's, Cnr Bryanston Drive and Mount Street, **Bryanston**; Temple Emanuel Centre, 38 Oxford Road, **Parktown**; Trinity Methodist Church, Cnr 5th Avenue and 5th Street, **Linden**; Temple Shalom, Louis Botha Avenue, **Highlands North**.

*Rabbi Adi Assabi, Chairman of Rabbinic Council, United Progressive Jewish Congregation of Johannesburg, **Temple Shalom**; The Very Reverend Duncan Buchanan, Anglican Dean of Johannesburg; Mrs Jennifer Kinghorn, **Society of Friends**; Reverend Alan Maker, Immediate Past Moderator of the **Presbyterian Church**; Rabbi Dr Norman Mendel, **Temple Emanuel**; Bishop Reginald Orsmond, **Catholic Bishop of Johannesburg**; Reverend Ronald Steel, Chairman, Central Region, **United Congregational Church**; Reverend Peter Storey, ex-President of the **Methodist Church**.*

**A GARLAND
OF FLOWERS
FOR SOWETO
JUNE 16**



/9317
CSO: 3400/1995

SOUTH AFRICA

FIREARMS, AMMUNITION SALES ROCKET ON RAND

Johannesburg THE STAR in English 14 Jun 86 p 3

[Text]

Firearm and ammunition sales on the Witwatersrand have rocketed this week, with many buyers saying they are "playing it safe".

A Bedfordview arms dealer said: "Many people buying firearms asked if they could get their licences before June 16. Yesterday sales were at their peak."

It takes about four weeks to obtain a licence.

The dealer claimed he had to stop selling ammunition because wholesalers had doubled prices in the past week.

Major wholesalers contacted by *The Star* refused to comment.

Many shops said sales had doubled in the past few days and many brands of ammunition were sold out.

A Randburg salesman, Mr Brian Weston, said ammunition sales had quadrupled and gun sales had more than doubled.

"Business is booming. People have expressed fears about what will happen on Monday.

Many have said they are staying at home, and others who don't normally carry guns say they will be doing so.

"Most said they hoped they wouldn't have to use their weapons and wouldn't be looking for trouble.

"A lot of our ammunition is sold out and wholesalers have told us they are also out of stock."

Mr Angelo Komis, a salesman at a store in Bree Street, Johannesburg, said: "This has been the biggest sale of arms yet before a June 16."

The manager of an arms shop in Commissioner Street, Johannesburg, asked reporters from *The Star* to leave his shop. "The problem shouldn't be highlighted — these are very anxious times," he said.

A Krugersdorp dealer said: "We have been incredibly busy the past few days. I have 10 people waiting to be served right now." He said sales had doubled.

A Florida salesman said his arms and ammunition sales had doubled this week.

/9317

CSO: 3400/1994

SOUTH AFRICA

NEW NCW HEAD PLANS TO HELP DETAINED CHILDREN

Johannesburg THE STAR in English 13 Jun 86 p 9

[Article by Kate McKinnell]

[Text]

Children in detention will be a focus of Mrs Elinda Bramwell's energy in her new role as National President of the SA National Council of Women (NCW).

Her recent election to the three-year position was unexpected, and she is still trying to adjust to her new role. But her concern for South Africa, particularly its women and children, should well qualify her for the work.

"Our greatest worry at the moment is about children in detention and the flood of allegations about their mistreatment," says Mrs Bramwell.

Security laws

She says the Children's Act states that children should not be held in prisons, and that they should always have access to social workers. It also provides that parents should be kept fully informed about their children.

"But the security laws have pushed these provisions aside," she says.

She says the NCW has and will continue to petition the Minister of Police to provide for the safety of children in detention.

Places of safety where children can be held are urgently needed, and the NCW suggests that already existing buildings should hastily be converted

to house detained children.

Mrs Bramwell says that with the acute crisis in South Africa at present, women's organisations can no longer stay out of the political field.

"The NCW has been known as a very moderate organisation, but at the moment there is no time for being moderate. We will try to listen, and in this way find out how and where best we can serve the community," she says.

Mrs Bramwell, who now has 10 grandchildren, has been involved in child welfare since she first started work as a social worker and probation officer for young girls out of control.

Then in 1979, she joined the NCW to head a Year of the Child committee, which later became the Committee of Concern for Children, and worked in day care.

Under Mrs Bramwell's guidance, the committee produced a detailed booklet on day care facilities in South Africa.

"There is a desperate need for care of children with working mothers in the white and particularly in the black communities," says Mrs Bramwell.

As a member of the national executive of the South African Association for Early Childhood Education, she stresses the importance of high quality pre-school education for children from disadvantaged homes.

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CSO: 3400/1994

SOUTH AFRICA

INTERNATIONAL STUDY BLASTS NATION'S HUMAN RIGHTS RECORD

Johannesburg THE SUNDAY STAR in English 8 Jun 86 p 17

[Article by John D'Oliveira]

[Text]

SOUTH Africa has dropped to the near bottom of the human-rights league according to a comprehensive international study just published by The Economist in London.

The study of human rights in 90 countries ranks South Africa (with a Human Rights Rating of 22 percent) on a par with countries such as Libya (23 per cent), China (23 percent) and Bulgaria (23 percent).

South Africa is only slightly worse than Vietnam (25 percent), Mozambique (25 percent) and Cuba (24 percent).

Below South Africa in the human-rights league are only Romania (20 percent), Russia (20 percent), Iraq (19 percent), North Korea (17 percent) and Ethiopia with a miserable 13 percent.

Botswana, in contrast, is a shining light with a HRR of 78 percent. Zambia is assessed at 51 percent, Zimbabwe at 45 percent and Tanzania at 43 percent. Even Zaire, with a HRR of 30 percent, ranks well above South Africa.

Angola, Malawi and Lesotho were not subjected to the same detailed examination as the other countries, although each received a "poor" HRR. Swaziland was not mentioned in the publication, World Human Rights Guide.

The Economist's assessment was based on the degree to which the different countries implemented 40 specific human rights and freedoms, with four levels of performance: yes, qualified yes, qualified no, no.

Of the African countries assessed, South Africa had the worst record.

It earned an unqualified "yes" only for respecting freedom from compulsory membership of state organisations or parties, freedom from compulsory religion or state ideology in schools and for respecting the personal right to use contraceptive devices.

South Africa's legal system was judged harshly.

The Guide said South Africans were not considered innocent until they had been proven guilty because of arbitrary powers under the Terrorism Act and the State of Emergency.

Nor were they entitled to civilian trials in public because of the Government's power to order trials to be held in camera under security considerations.

South Africans were not guaranteed prompt trials nor were they free from police searches without warrants.

South Africa's respect for the independence of its courts was assessed as a qualified "Yes", with the explanation that the courts' powers were limited, that they could not release individuals held by the security forces.

However, there had been cases where a "defiant judiciary" had resisted political pressures.

In the legal rights section, South Africa earned qualified approval only for the degree to which it respected the right to free legal aid when necessary and the right to counsel of own choice and the degree to which South Africans were free from the arbitrary seizure of personal property.

The country's attitude to the right to a free Press earned a qualified "No" because, The Guide claimed, private ownership of newspapers did not necessarily constitute independence because of the banning and arrest of

editors and journalists and because of the activities of the Directorate for Publications. There was political censorship of the Press, but the English-language newspapers frequently criticised the Government.

Suspected opponents of the Government were subjected to constant surveillance, and South Africans were not free from mail censorship or telephone tapping.

South Africa showed greater respect for independent book-publishing — earning a qualified “Yes” — but The Guide pointed out that independence was guaranteed for

only as long as publishers did not commit offences under the security or the race laws.

South Africans, The Guide said, did not enjoy freedom from serfdom, slavery or forced child-labour; they did not enjoy freedom from “extra-judicial” killings or disappearances; they were subject to torture or coercion by the State and they did not enjoy freedom from compulsory work permits or conscripted labour.

They were not free to travel in their own country, travel outside their country, peacefully associate or assemble, teach ideas and receive information.

However, they enjoyed qualified freedom to monitor human rights and to publish and educate in ethnic languages.

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CSO: 3400/1994

SOUTH AFRICA

HUNDREDS OF ARCHITECTS LEAVING PROFESSION, OUT OF WORK

Johannesburg SUNDAY TIMES (Business) in English 8 Jun 86 p 7

[Article by Ruth Golembo]

[Text]

HUNDREDS of architects are out of work and many are leaving the profession.

The president of the South African Institute for Architects, Pieter Joubert, says the position is worsening. More than 40% of architects have little or no work.

Representatives of the institute met Government officials this week to discuss the crisis.

State spending cuts are one of the main causes of the lack of work.

Confidence lack

Mr Joubert says the private sector's lack of confidence is another cause of architects' problems.

Mr Joubert, who has spent two months touring South Africa, met many architects who were leaving the profession.

"Many of them are dipping into their capital and trying to keep their doors open. Some are leaving to look for jobs abroad or relying on investments in property to keep them going.

"Others have moved into related fields like the property market. Others are looking to the State for employment by becoming building inspectors and planners.

"We are facing serious problems and experience has shown that once architects leave they seldom return.

"The loss of valuable members — not to mention the money spent on their education — will have far-reaching effects."

Advertising

The institute's decision to allow "responsible advertising" is seen by some as a start to resolving the profession's problems.

But Mr Joubert says many see advertising as the first place to reduce expenditure in bad economic times.

Many architects are sceptical about the need for advertising, saying those who need their services know where to go.

Architects' fees are set to become more competitive because of a Competition Board ruling. Architects will no longer have to charge 6% of the contract price, but will be able to negotiate with clients.

Optimism

Willie Meyer, president of the Council of Architects, says the profession is in serious trouble.

"One does not want to be pessimistic, but things look bleak for architects in the short term. Some areas are more seriously affected than others and it is particularly difficult for small firms to survive.

"Many architects are sitting tight in the hope that they will be able to survive the next few months. Others have taken posts in Britain and Australia.

"South Africa has incredible scope for growth and the need for housing is enormous. The longer-term future looks good for the profession if we can make it through the present lull."

But academics in the architectural field are optimistic. They say architects may not be making as much money as in the past, but they still have work.

The head of the School of Architecture at the University of the Witwatersrand, Pancho Guedes, says: "I have not heard many complaints about the lack of work, although there is no doubt there is not as much of it as there was a couple of years ago."

Professor Guedes says: "Newly qualified students are still getting jobs and the profession has generally not been as badly affected as the construction industry, for instance."

Danie Theron, dean of the Faculty of Architecture at the University of Port Elizabeth, says many architects are doing less profitable work and having to work a bit harder to make the same profits as before.

"But the profession is not in dire straits. I do not believe qualified architects are having to seek work in other fields."

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CSO: 3400/1993

10 July 1986

SOUTH AFRICA

BLACK ANGLICAN BISHOP APPEALS TO WHITE YOUTH

Johannesburg THE STAR in English 14 Jun 86 p 10

[Article by Estelle Trengove]

[Text]

The day before he was detained, the Anglican Bishop Suffragan of Johannesburg West called on young whites to band together to speed up the process of change in South Africa.

Bishop Sigisbert Ndwandwe wrote his statement on Tuesday. On Wednesday he was silenced by arrest and detention.

Although the police directorate of public relations in Pretoria denied any knowledge of Bishop Ndwandwe's detention, a top-ranking Johannesburg Anglican priest tried to visit him at the Stilfontein prison near Klerksdorp.

He confirmed that the bishop was being held under Section 50 of the Internal Security Act.

Anglican clergymen have described Bishop Sigisbert as a wise and gentle man, a man of peace and justice.

The Star yesterday received a copy of the statement Bishop Sigisbert wrote the day before he was detained.

"The tragic events in our country since 1984 and earlier

represent what I believe are the birth-pangs of a new South African nation which will be quite unlike anything that went before," he wrote.

EQUAL

"The new reality to which we all aspire is that of an open and non-racial society where there will be equal opportunity for all. But this new society will have to be born from the ashes of apartheid."

Bishop Ndwandwe said he wanted to appeal to the white youth of South Africa in particular to band together to expedite the process of change.

"I single out the white youth for obvious reasons. Their elders who conceived apartheid and have ruthlessly implemented it will, like anybody else, not last forever.

"The white youth will then be left nursing the baby long after these men have disappeared from the scene," he said.

The white youth would be left to answer some very hard ques-

tions from their black counterparts.

They would ask them what they did to promote change during the struggle; why they were so incredibly indifferent when the blacks were being intimidated and killed by the police and the army; why could they not empathise when the blacks were "passing through the valley of suffering and degradation".

"We love South Africa our Motherland, and because that is so, let us do all we can to prepare ourselves for the inevitable, namely majority rule.

"Majority rule should be an inescapable dispensation in all true democracies."

The bishop said he believed the Church could play a far more pronounced role in the deepening crisis if it were to regain its credibility.

He warned that a catastrophe of major proportions was in the making, but said it could still be avoided with goodwill and a sense of urgency.

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CSO: 3400/1994

SOUTH AFRICA

NEED FOR STABILITY, TRUST TO SOLVE EDUCATION CRISIS DISCUSSED

Johannesburg SUNDAY TIMES in English 8 Jun 86 p 29

[Article by Ken Andrew]

[Text]

EDUCATION is in a state of crisis in South Africa — of that there can be little doubt. What is to be done about it?

Many people throw up their hands in despair when they look at the challenges facing black education: the money required, the teachers and the classrooms. I am not one of them.

I firmly believe that, given the will to do so, we could make massive strides in improving the quality of education provided to black schoolchildren.

Let me focus on a few of the more important issues.

There are two fundamental requirements for resolving the problems of black education:

◆ The first is the need to create a *stable environment*. It is most desirable that children obtain the best possible education and that this process is not continually disrupted. However, it is totally unrealistic to expect schools to function normally when the society in which they operate is in a state of upheaval.

In this regard, the behaviour of the police has often been appalling and has bedevilled the situation in many schools. The indiscriminate and savage whipping of schoolchildren on school premises is an example of how the police can destroy any efforts that others may make to calm down the atmosphere in schools.

There are many other factors that complicate the education scene, but I do not plan to discuss them in this article. However, I wish to emphasise that we need to

keep in mind at all times that black education will not function smoothly until such time as other pressing problems are resolved.

Trust

◆ The second is the need for *trust* in education between Government, parents, teachers and pupils. It is on this aspect that I plan to concentrate.

In a recent article in the Sunday Times, the Deputy Minister of Education and Development Aid, Mr Sam de Beer, wrote: "The acceptance of the Government's good intentions is essential for the restoration of order and stability in education."

In March, the Minister of Education and Development Aid, Dr Gerrit Viljoen, reiterated "the Government's commitment to establishing equal education opportunities for every inhabitant of the country" and in April "... the bona fide commitment of the Department of Education and Training to offer the best possible education ..."

These statements followed the commitment by the State President to "... a programme that will mean education for all".

What could one reasonably expect from these commitments?

"Surely that black education will enjoy the highest possible priority, that credibility and trust are essential and that every effort will be made to achieve parity as soon as possible."

Let us examine some critical areas:

● First and foremost is the demand for one central education department and one Minister in overall charge of all education. This is vital. Separate departments are seen as symbolic of inferior apartheid education.

Technically, there is a central department controlling certain aspects of education, but the proliferation of racially-based departments remains.

The Government argues that one single department would be an administrative monstrosity and that education would suffer as a result.

The fact is that nobody has suggested that there should not be provincial or regional decentralisation — on the contrary. That white school education was decentralised did not change the fact that there was one Minister responsible in Parliament.

Those who use the "administrative monstrosity" argument are either ignorant or deliberately trying to justify the unjustifiable.

Shortage

● Secondly, a major problem is the shortage of suitably qualified teachers. This is not easy to overcome in the short term, but far more could be done.

There is a surplus of white teachers. Steps should be taken to find a way to utilise them in black schools, acceptable to the teachers themselves as well as to the black schools and communities.

At present, there are places for only 5 269 students at Department of Education and Training teacher training colleges. There are vacant places for 2 767 students at white teacher training colleges. Filling those places with black students would increase the number of black student teachers at college by 53 percent.

Yet the Minister has made no request for black students to be allowed to fill those places. Does that show a commitment to equal education — or commitment to a racial ideology?

● Thirdly, there is the way in which available finances are allocated.

The most recent figures (for 1985/86) show that total education expenditure was up by R937-million compared with the previous year. Of that, whites received 526-million (56 percent) and blacks only R272-million (29 percent).

Comparison

Compare this with the total number of pupils and students concerned: whites 1,4-million (or 21 percent), and blacks 4,2-million (or 63 percent)!

It is clear that either black education should have received about five times more than it got or that white education should have received only 20 percent of what it got. That would only have resulted in parity in respect of the increment, not in the system as a whole.

The point is made that the reason for the disparity is the difference in qualifications of the teachers. That is statistically correct. But surely the real question is how we are applying our resources towards improving and equalising educational standards.

Let us assume that only R937-million was available in total for education. Then, about R590-million should have been made available for black education and not only R272-million — i.e. an extra R318-million.

That extra R318-million could then have been used in helping to make up for the shortage of qualified teachers in other ways.

Computers

Consider just one example: computer aids have been shown to be highly effective in upgrading pupil performance in critical subjects. They do cost a great deal of money, but R318-million would have enabled all non-farm primary schools to have access to a computer-based educational system. The results could be dramatic.

● Finally, I would like to refer to the pupil/classroom ratios.

The Minister was embarrassingly evasive when I questioned

him in Parliament. However, the Standing Committee on Finance was advised that the amount per annum required to achieve parity by 1990 would be R133,6-million.

Again, not an enormous amount and an amount that should certainly take precedence over the R169-million voted this year for the resettlement of people.

It is interesting to note that the Department of Education and Training (for blacks) has a shortage of classrooms for 193 575 pupils. At the same time the Department of Education and Culture (for whites) has vacancies at its schools for 205 000 pupils!

Obviously, all the needs are not necessarily where the vacancies exist, but it is sobering to think that it will cost R348-million to build classrooms for those black pupils when, in fact, there is no overall shortage at all.

Good intentions and commitments to equal education will achieve very little unless they are translated into action.

Aggravated

Apartheid in education has in most cases caused or aggravated problems in black schools and universities. Bringing about improvements in black education is fine as far as it goes — but it does not go far enough.

Separate education will always be unequal and black education will remain inferior for as long as there is no freedom of choice. The Government should remove its apartheid blinkers and stop wasting valuable time and money that South Africa can ill afford.

The Government frequently places the demands of its racial ideology before the educational needs of black children. Until that attitude changes, the Government has no right to claim that everything possible is being done to give black children the best possible educational opportunities.

There is no quick fix. But neither is there any need for despair. I have no doubt that in black education, as in many other spheres, where there is a will there is a way.

/9317

CSO: 3400/1993

SOUTH AFRICA

BRIEFS

CONCERN FOR DETAINED CHILDREN--The Johannesburg Child Welfare Society has strongly opposed proposed new security legislation, saying 180 days' detention could be devastating to children. Altogether, 2 016 children under the age of 16 were detained during the state of emergency from July last year until February this year. Some were held with adult criminals, some in solitary confinement and many were beaten, abused and intimidated, Mrs Elaine Walker of the Child Welfare Society said. "Detentions are breeding a generation of children who are violated, angry, defiant, militant and frightened," said the assistant director of the society's Johannesburg section, Miss Jacqui Michael said. Under the Public Safety Amendment Bill, the Minister of Law and Order could confer emergency powers on anybody and protection under the Children's Act fell away. The manager of Soweto and Alexandra's social work services, Mrs Shirley Mabusela, said some children who had been detained during the state of emergency had to be admitted to hospitals for psychiatric treatment, because the experience had been so traumatic. She had also received reports that children were held in solitary confinement. "Solitary confinement creates a great deal of anxiety in children," she said. Some children had adjustment problems after they were released. One mother reported that her daughter had become extremely moody and was sometimes withdrawn and forgetful. She would, for example, send the child shopping, but after a while the child would return forgetting what she had set out to do. Because there were no facilities for children, they were treated like adults. Detention violated children and could expose them to all kinds of emotional problems, she said. Ideally, children who were arrested should be placed in the care of their parents who would be responsible for the children appearing in court, Miss Michael said. The society would also like courts to recommend that a social worker be informed of such cases. "It goes against human rights to detain children," Miss Michael added. [Text] [Johannesburg THE SUNDAY STAR in English 8 Jun 86 p 17] /9318

LOW-COST HOUSING DESIGNS SOUGHT--Architectural students at six South African universities have been asked to design low-cost houses. The idea is to provide people in the lower income group with attractive homes costing no more than R12 000. The scheme is part of a determined bid to replace the functional houses in most black townships with more pleasing low-cost housing. Hundreds of students in Johannesburg, Pretoria, Cape Town, Port Elizabeth, Bloemfontein and Durban have been approached by the

Permanent Building Society to provide designs--and inexpensive building concepts--which could be used in the construction of new houses. Prizes worth thousands of rands are being offered by the society. South Africa's housing backlog is estimated at 420 000 units. In Soweto, the giant black city adjacent to Johannesburg, the official waiting list for houses is 19 500 but this figure does not include the many homeless families who, until recently, were regarded as "illegals." "The Perm" last year spent R106 million on black housing. It has called for the assistance of architectural students because it recognises the need for more attractive homes in the fast-developing black areas. Mr Chris Williams, general manager (marketing) said this week: "We have been doing research and, working with the Urban Foundation, have identified the problems. What we want are plans for inexpensive houses which we can make available to the man in the street." [Text] [Johannesburg THE STAR in English 14 Jun 86 p 10] /9317

CSO: 3400/1994

SOUTH AFRICA

PFP MP CALLS FOR NEW ECONOMIC POLICY

Cape Town THE WEEKEND ARGUS (Business) in English 24 May 86 p 3

[Article by Brian Goodall, MP for Edenvale, PFP spokesman on Mineral and Energy Affairs and deputy spokesman for Finance]

[Text]

SOLVING our present political problems will alleviate, but not end, our current economic problems. There is, alas, no quick fix to these problems. Before we can again enjoy sustained economic growth we must tackle the fundamental structural problems in our economy. The symptoms of these structural problems have been with us for some years now.

Our recent economic performance has been dismal. We made little economic progress. Indeed, in many areas we regressed, in spite of the benefits of a gold boom in the intervening period.

In a country like South Africa it is normally the manufacturing sector which is the engine that drives the economy.

In the past ten years the manufacturing sector has grown at a real rate of about 1,7 per cent a year. Some engine! No wonder our gross domestic product has only grown at 1,8 per cent per annum after taking into account inflation. This is a growth rate which is way below our rate of population increase. Today we produce less per person than we did ten years ago.

This is not a good performance. Moreover, the situation is unlikely to improve. Before you can have long-term eco-

nomic growth you need to invest in plant, equipment and people. Investment by the manufacturing sector has declined each year since 1980. In 1985 investment by the manufacturing sector was just slightly more than half of what it was in 1980. Today, the manufacturing sector invests less than it did ten years ago.

It was not the only sector performing poorly. Over the past ten years investment in real rand in agriculture was 57 percent less; investment in community, social and personal services was 33 percent less.

Without investment, few jobs are created and unemployment increases. This is exactly what is happening. In 1985 the number of whites, Asians and coloured registered as unemployed rose by 90,9 percent. Among Asian women the number of registered unemployed rose by 235,6 percent. The number of registered unemployed blacks, which we know is only a small portion of the total, increased by 63,6 percent.

Is it surprising that we have social unrest in South Africa?

It is sobering to note that the number of people employed in the manufacturing sector at the beginning of 1986 was at the same level as it was in 1975.

If one looks at the construc-

tion industry, the situation is even worse. Today it employs 95 000 less people than it did in 1975.

Why was our economic performance so poor? What happened was that the economy in general, and the manufacturing sector in particular, was becoming less and less competitive. There are many reasons for this. One reason is that our inflation rate was so much higher than that of our trading partners and competitors. This depressed exports, especially manufacturing exports and boosted imports. The situation was allowed to continue from 1976 to 1983 and was only corrected by the savage depreciation of the rand.

Because of the poor performance of manufacturing exports, we have seldom been able to achieve the necessary production volumes to enjoy the benefits of mass production, especially lower unit costs.

Not only were we failing to develop large-scale export markets, we were also failing to develop our domestic market, especially for manufactured goods.

One reason why the domestic market remains small is because of excessive taxation, especially on individuals. Be-

tween 1980/1 and 1985/6, the tax paid by individuals quadrupled. Moreover, this year it is budgeted to increase by 20 percent. Over the same period, the amount collected in general sales tax increased five-fold.

These were levels of increases way in excess of the growth of individual incomes.

With rising taxes and increasing inflation the individual consumer found his ability to spend curtailed. It is a complete fallacy to portray consumers, as some Government members do, as irresponsible spendthrifts. The statistics show a completely different position.

In real terms, consumers spent less on furniture, household appliances and transport equipment last year than they did ten years ago. This, in spite of a 25 percent growth in population over that period.

While ordinary South Africans had to curb their expenditure, the Government did not. Budgets lost all credibility as actual expenditure easily exceeded budgeted expenditure. The impact of inflation on individual and rising GST tax rates provided a seemingly never ending flow of funds. But even an ever-increasing tax burden was not enough to meet the Government's ability to spend.

They resorted to debt. In 1975/6 the interest on the public debt accounted for 4,9 percent of Government expenditure. Ten years later, it accounted for 14,2 percent. We now spend the same on servicing debt as we spend on welfare services, pension and public health combined.

Bureaucracy and mining became South Africa's only growth industries. In 1975, the public sector accounted for 22,9 percent of South Africa's gross domestic product. In 1985 it accounted for 29,2 percent. The fastest growth was in the area of State capitalism. Public corporations share of the GDP has more than doubled in the past ten years. While the level of employment in the manufacturing sector did not grow in over ten years, the level of employment by the central Government over the same period has increased by 40 percent.

The Government reacts to economic problems in one of two ways. Either it issues a White Paper which slides from one motherhood concept to another, but which is seldom implemented. Alternatively it tells us it is beyond their power to do anything to rectify the situation because of external events. They seem so powerless to solve economic problems, on sometimes wonders why they don't abdicate officially instead of unofficially. Seldom will they try to bring about the necessary structural changes. They only change when the level of economic misery becomes almost unbearable. Consider the question of influx control.

By refusing to accept, until now, a policy which encouraged urbanisation the Government prevented the economy from deriving the benefits inherent in a rapidly urbanising population. Indeed, they tried to do exactly the opposite and still continue to do so today.

Take, for example, decentralisation for political purposes. Spatial economists will tell you South Africa can only support between two and six industrial growth points at any one particular point in time. Six is the very maximum. However, according to the latest report of the Board of the Decentralisation of Industry, between 1 April 1984 and 31 March 1985, five or more applications were approved to fifty four different places. Moreover, there are numerous other points which benefit from decentralisation policies.

These are attempts to make what was a dynamic economy fit into a stultifying political system. Indeed, given the dismal performance of the manufacturing sector in the past few years, it is surprising that the Government can afford to worry about decentralising industry instead of spending its time and money on stimulating it.

Sustained long-term economic growth can only be achieved if we increase our ability to produce goods and services. This means investment must be encouraged. In the past we relied on tax concessions to encourage investment. They did not work.

The only way to generate investment is by offering businessmen a market that does not fluctuate wildly and which grows. This means the Government must reduce its capacity for spending the public's money. It is all very well to talk about the need to redistribute wealth. Before wealth can be redistributed, someone has to create it, otherwise all suffer.

We can no longer allow tax to reduce the spending power of the public. The findings of the recommendations and implementations of the Margo Commission Report are of fundamental importance. We should also encourage urbanisation. A rapidly growing urban population normally results in increased demand for goods and services. This is just what we need. The Government has at long last said it accepts urbanisation. I hope the birth of its urbanisation policy will be faster than the death of its apartheid policy.

At the same time, we need to develop exports. This can only be done if we maintain the competitive position we have gained through the depreciation of the Rand. With an inflation rate of three to four times that of major competitors, we will not remain competitive. It is therefore essential that the problem of inflation is tackled. Other countries have been able to do it. There is no reason why, given the necessary determination and the correct mixture of policies, we should not be able to do so as well.

The solution to solving the inflation problem lies in increasing deregulation of the economy, firm action against monopolies, a broadening of the labour market and an administered prices policy which actually sets a good example rather a bad one. If administered prices keep on rising rapidly, why should the private sector take the Government seriously when it calls for price restraint.

We must also move resources from the public sector to the private sector at a much faster rate. It is interesting to contrast developments in South Korea and Ghana. In 1962 both had the same GDP per capita. Both had the same percentage

of the labour force in agriculture. Both were heavily reliant on the export of primary products. Twenty years later the per capita GDP of South Korea was five times that of Ghana. It is not insignificant that in Ghana credit to the public sector was equal to 49 percent of Ghana's GDP. In South Korea it was 2 percent. In 1985 in South Africa the public sector accounted for 46 percent of total fixed investment.

Finally, while we are doing these things, we need to move equally rapidly at finding a solution to political problems. We must here consider one fundamental point. In the western world they are learning to do more with the same or the same with less. We are doing exactly the opposite; the same with more. More Houses of Parliament, more Governments in South Africa, more MPs, more Cabinet Ministers, more Government departments, more Government employees. That is why the role of the public sector in our economy is growing bigger and bigger.

It is the very policy of dupli-

cation and separation which is one of the prime factors in destroying our ability to grow the economy. The irony is that separation of the races was meant to bring political peace. Today the streets of many South African towns burn because of it.

It was the policy of separation which was meant to protect the white man's wealth. And yet each year whites get poorer and poorer in real terms. In 1985 remuneration for employees rose by 9,8 percent. A few percent of that went in tax, 16,2 went in inflation. In real terms the average man was poorer.

The irony is that they very system that was meant to protect the wealth and security of whites, is making them poorer because it is one of the most inefficient ways of managing a modern economy. It stifles economic growth, as we have learnt.

While a political solution to our problems will not, on its own, solve our economic problems, without a political solution we will not even be given the opportunity to try and solve our economic problems.

/9274

CSO: 3400/1909

10 July 1986

SOUTH AFRICA

BIS NOTES NATION'S IMPROVED EXTERNAL DEBT POSITION

Johannesburg BUSINESS DAY in English 9 Jun 86 p 11

[Article by Neil Behrmann]

[Text]

LONDON — The latest Bank For International Settlements (BIS) annual report estimates that central banks bought 165 tons of gold last year.

The estimate of the BIS, the central banks' central bank is higher than Consolidated Gold Fields' calculations of 135 tons. But since the BIS monitors and trades on behalf of central banks, its figures should be taken more seriously.

The BIS notes that the turnaround from net sales of 20 tons in 1984 came about because of Colombia. The South America's nation's gold reserves declined by 89 tons in 1984, but last year rose by 14,8 tons.

Other developing nations adding to their official gold holdings were Brazil, 51 tons (which absorbed the bulk of its domestic production into its reserves), the Phillipines 21,5 tons, India 20,5 tons and Peru and Taiwan 17 tons each.

In the industrial world, says the BIS, Finland acquired 20

tons. But the two main gold producers in this group, the United States and Canada reduced their holdings by 4,4 tons and 0,9 tons respectively.

The BIS estimates that communist country sales, mainly the Soviet Union, jumped by 100 tons to 250 tons last year.

Expressed in current dollar terms, countries' official reserves, other than gold rose by about \$42,5 billion or 11 percent.

But the 943 million ounces of gold reserves at market prices were worth \$308 million last year, or 41 percent of all reserves — foreign exchange, gold, IMF reserve positions, special drawing rights and ECU's

The BIS noted that South Africa reduced its borrowings from major international banks by \$1,1 billion last year. Deposits received from South Africa rose by \$700 000.

So, despite the debt moratorium, South Africa's external debt

position improved by \$1,8 billion. The BIS also noted the improvement in South Africa's current account of the balance of payments.

The BIS said that "the threat to the international banking system represented by simultaneous default on a large number of international banking loans seems less acute than it did some years ago."

Besides the efforts to "render such default less likely... Banks have been able to strengthen their capital base."

The BIS, however, is uneasy about financial innovations in the markets. "The above mentioned strengthening of the banks' capital base may be more apparent than real," it warns.

The BIS is happy that the world economy is much healthier, but cautions that excessive growth of money supply, especially in the United States and United Kingdom, could rekindle inflation.

/9317
CSO: 3400/2000

SOUTH AFRICA

RED TAPE SAID TO HAMPER BUSINESS INITIATIVE

Johannesburg BUSINESS DAY in English 4 Jun 86 p 3

[Article by Lesley Lambert]

[Text]

BUSINESS initiative and confidence are being stifled more by government-created uncertainties and bureaucracy than by current political problems, says a senior businessman.

In a quarterly review of the investment market, Santam assistant GM (investments) Roy Justus says businessmen who are able to create jobs and get the economy going again are being hampered at every turn.

With the general expectation of stimulatory action by the financial authorities, the emphasis should be on attempts to bolster consumption expenditure and private investment, he says.

However, the businessman wanting to expand or open a new undertaking is finding it extremely difficult to plan ahead in a situation that is full of obstacles and uncertainties.

A major grievance is the mass of red tape. "The moment the businessman steps out of line with some minor infringement, he is hit with the entire weight of the bureaucratic system, sometimes causing his enterprise to halt temporarily, with the resultant

loss of jobs.

Justus calls for the speedy and effective application of deregulation.

He says other grievances include:

- ☐ Sudden temporary or additional taxes such as those levied on the banks and insurance companies and other selected industries, which have a discouraging effect.

- ☐ The possibility that the business sector will have to contribute to the new regional services councils.

- ☐ Discouraging interpretations of amendments to the Income Tax Act, some of which are retrospective.

- ☐ The authorities' inability to control inflation.

- ☐ The uncertainty of rapid interest rate movements. "There is money available right now at reasonable rates for expansion. The entrepreneur would like to know that interest rates will stay around this level and not suddenly go through hyper-movements as in recent months."

Justus says the private sector and the entrepreneur will have to think more realistically, accept lower profit margins and realise that SA is changing.

/9317

CSO: 3400/1999

10 July 1986

SOUTH AFRICA

INVESTMENT TRUST FUND FORMED TO HELP BLACKS

Johannesburg THE CITIZEN in English 9 Jun 86 p 19

[Text]

THE Greater Soweto Chamber of Commerce and Industries (GSCCI) and Barclays National Bank have formed an investment trust fund to provide financial assistance and training to black entrepreneurs.

This was announced at the weekend by the president of the GSCCI, Makana Tshabalala and Chris Ball, managing director of Barclays National Bank.

"The GSCCI has for long been seeking ways of enabling its members to participate fully in economic growth and we are very enthusiastic about this new venture," Mr Tshabalala said.

Mr Ball said: "Barclays is actively committed to the development of Black business and regards it as natural to join with the Soweto chamber to assist black business."

Mr Tshabalala said the objectives of the trust fund — to be known as the Soweto Investment Trust Company Ltd (Sitco) — were:

- to channel funds into Black business to develop black entrepreneurial skills;

- to provide an opportunity for Black people to take part in the development of commercial and industrial projects; and

- to identify and provide much needed advisory services to Black entrepreneurs.

Barclays has put up R2,5 million to launch Sitco, whose board of directors will be appointed by a Black trust which will own the company.

"Although Barclays has been the first company to put in money to get the company going, both Barclays and the GSCCI are looking for-

ward to investments from other organisations and sources also committed to seeing Black business coming into its own," Mr Ball said.

Mr Tshabalala said: A priority of Sitco would be to assist smaller black entrepreneurs who often found it difficult to raise even the capital they needed for development.

"We envisage that some of the finance will be put into venture capital to allow the company to provide financial assistance to enterprises which have nowhere to turn to at present."

The structure of the trust company had been designed to ensure that the Black community would always retain ownership of the project while the funding of the organisation would be by way of loans and preferred shares, Mr Tshabalala emphasised.

/9317
CSO: 3400/1991

SOUTH AFRICA

EXTENT OF AMCOAL'S INTERESTS DESCRIBED

Johannesburg THE SUNDAY STAR (Finance) in English 8 Jun 86 p 8

[Article by John Orpen]

[Text]

AMCOAL — formerly known as Anglo American Coal — is today the largest coal-producing company in South Africa with no less than 13 operating collieries under its umbrella.

The company this week reported a profit of R203,4 million against R155,2 million last year.

Its history can be traced right back to 1897 when The Vereeniging Estates Limited was formed to acquire a number of farms in the Vereeniging area, covering some 500 sq km on both sides of the Vaal River.

It assumed the coal-mining operations in this area previously undertaken by the Zuid-Afrikaansche en Oranje-Vrijstaats Kolen en Mineralen-Mijn Vereeniging.

The company broadened the scope and geographical spread of its investments in 1928 when it purchased a controlling interest in The Coronation Collieries Limited from the

Victoria Falls and Transvaal Power Company Limited — the forerunner of Escom — which owned a power station near Vereeniging.

In 1936 the company merged part of its coal interests with those of the African and European Investment Company Limited to form Amalgamated Collieries of South Africa Limited. This was then the largest organisation of its kind in South Africa and operated the Cornelia, Springfield, Largo and Schoongezicht collieries.

In 1949 The Vereeniging Estates purchased a controlling interest in Springbok Colliery, which had been established by Anglo American in 1946, and in South African Coal Estates (Witbank) Limited in 1974, when SA Coal Estates acquired the entire issued capital of Witbank.

As can be seen the web of corporate holdings and cross-holdings had now become so tangled that it was decided to rationalise all these operations.

So the interests of Anglo Power Collieries, Amalgamated Collieries of South Africa, Blesbok Colliery, The Coronation Collieries, New Largo Colliery, South African Coal Estates (Witbank) and Transvaal Coal Corporation were merged into

Vereeniging Estates and the name of the company changed to Anglo American Coal.

The merger came into being on January 1, 1975. In 1980 Vryheid Coronation became a wholly owned subsidiary of Amcoal.

Natal Anthracite Colliery, which operated two collieries in Natal, became a wholly owned subsidiary from January 1, 1981. After the acquisition of Natal Anthracite, Amcoal itself became a subsidiary of Anglo American Corporation, also from January 1, 1981.

Further and on-going consolidation procedures of the group's coal interests took place during 1982. A further change of name was made to Amcoal Collieries Limited.

The mines in the group are New Largo, Landau, Arnot, Bank, Goedehoop/Springbok,

Kleinkopje, New Denmark, Kriel, Springfield, Cornelia Vryheid Coronation, Natal Anthracite and New Vaal.

Most of the older mines, such as New Largo and Landau, are underground, while most of the newer operations are opencast. Nearly all of the latter have been opened up only in the last 10 years.

These mines have come into being primarily as a result of the Richards Bay coal-export scheme, together with Escom's massive expansion of the last decade. Collieries in this category are Kleinkopje (export), and Arnot, Kriel, New Denmark and New Vaal (Escom).

Last year Amcoal sold 37,3 million tons of coal and coke and its operating profit was a staggering R419,7 million.

/9317

CSO: 3400/2000

SOUTH AFRICA

MINISTER ON GOVERNMENT AID TO AGRICULTURE

Johannesburg BUSINESS DAY in English 5 Jun 86 p 4

[Article by Gerald Reilly]

[Text]

THE State had to intervene and plough in R485m during the past financial year to avert catastrophe in agriculture, Minister of Agriculture and Water Supply Sarel Hayward said in Pretoria yesterday.

Addressing the biennial congress of the South African Agricultural Union (SaaU) national co-operative council, he said government and the co-operatives were aware of the desperate position of farmers as a result of drought and recession.

He said credit provision which was in conflict with the basic principles of healthy financing had an adverse impact on farmers' finances.

On specialised agricultural financing, Hayward said he had proposed an investigation into the merits of a possible merger of the Land Bank and the Agricultural Credit Board.

Between 1981 and 1984 agriculture's asset values increased by 40%, and debt by a huge 147%. The biggest increase in debt came from credit provided through commercial banks and co-operatives.

That producers found it increasingly difficult to discharge their obligations, even in favourable years, indicated injudicious financing as a possible important contributing factor.

He said he had initiated discussions with interested private financial institutions aimed at formulating a strategy of credit provision on a sounder basis.

Stressing the powerful competitive power of the co-operatives, Hayward said primary co-operatives' turnover increased from R396m to R2,287bn in the 10 years to 1984.

Government was ready to lend a sympathetic ear to problems caused by uncontrollable factors but the State could not be expected to assume responsibility for human-factor problems.

/9317

CSO: 3400/2000

SOUTH AFRICA

NEW PLATINUM MINING PROJECT FOR NORTHWESTERN TRANSVAAL

Production Begins in 5 Years

Johannesburg THE STAR (Business) in English 12 Jun 86 p 2

[Article by Gareth Costa]

[Text]

The first new SA platinum mine in more than a decade was yesterday given the go-ahead by Gold Fields, after extensive exploration in the Rustenburg area proved the viability of the R560 million project. It will be Gold Fields' first major investment in this area.

GFSA subsidiary Northam Platinum announced that it has applied for a precious metals lease, so that it can begin development on the new mine — which will work the rich Merensky Reef.

The lease area is situated next to Rustenburg's Amandelbult section, between Thabazimbi and Northam, and will cover a surface area of about 10 000 hectares.

Construction begins immediately, but the mine is only expected to come into production in five years. Analysts' initial estimates of the mine's life are between 80 and 90 years, based on ore reserve of 163 million tons down to 2 700 metres of Merensky reef being worked at the initial milling rate of 150 000 tons a month.

It will be about the same size as Lonrho's Western Platinum but significantly smaller than Gencor's Impala and JCI's Rustenburg. The 90 prospecting holes drilled since 1981 have revealed an in situ grade of 10.1 g/ton of platinum group metals on the Merensky Reef, while the second-

ary UG2 reef has deposits of 6.6 g/ton and an estimated 319 million tons of ore.

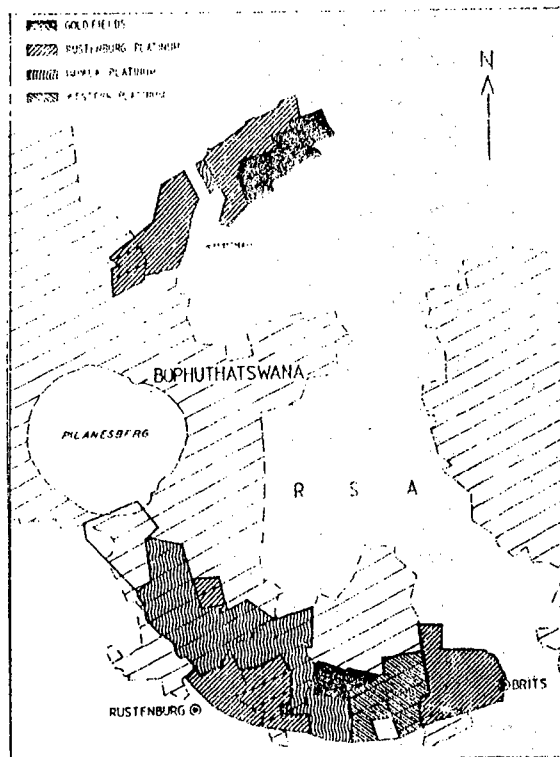
The mine will be much deeper than other platinum producers in the Bushveld complex — 2 000 metres at the number one shaft and 1 670 metres at the number two — so fears are that costs will be high. But GFSA chairman Mr Robin Plumbridge says that other platinum producers should be down to that depth in five years, so working costs will be more comparable.

The finance for the mine will be raised through a rights issue to Northam shareholders, which comprise GFSA, Cons Gold Fields in London with 12.5 percent and sundry others.

Mr Plumbridge says that GFSA will contribute its share of the capital from internal funds. He does not expect the outlay to affect the group's cash position, and dividends will still be maintained at current distribution ratios.

GFSA will provide bridging finance. As part of the rights issue, Northam will seek a JSE listing.

Mr Plumbridge says that drilling of the number two shaft should begin in about six months, but they have not decided whether Shaft Sinkers or outside contractors will do the work. The collar work will begin immediately.



The new mine will be situated just north of Northam in the area shaded black on the map.

Employment for Over 5,000

Johannesburg THE CITIZEN in English 12 Jun 86 p 1

[Article by Erik Larsen]

[Excerpt]

GOLD FIELDS of South Africa is to embark on a R559 million platinum mining project which will provide employment opportunities for more than 5 000.

This was announced yesterday by Mr Robin Plumbridge, chairman and chief executive officer of Gold Fields.

The Northam Platinum Mine, as it is to be known, is situated between the towns of Northam and Thabazimbi in the North-Western Trans-

vaal. It covers an area of 10 314 ha.

Gold Fields owns 78,2 percent of Northam Platinum. The balance is owned by a syndicate, which approached Gold Fields in 1981 and asked if it was interested in a platinum exploration programme.

Construction at the mine will commence immediately and the new mine is scheduled to begin production in five years.

"It is an important investment at a time when this country needs investment pretty desperately,"

said Mr Plumbridge yesterday.

The mine would be a "major and very significant high-grade platinum source."

Gold Fields will now make application, under the Mining Rights Act, for a precious metals lease.

Pending the approval in principle of this lease by the Minister of Mineral and Energy Affairs, Mr Danie Steyn, Gold Fields has undertaken to produce the necessary bridging finance.

/9317

CSO: 3442/002

10 July 1986

SOUTH AFRICA

ABSENTEE FARMERS PRESENT SECURITY PROBLEM

Johannesburg BUSINESS DAY in English 5 Jun 86 p 7

[Article by Linda Ensor]

[Text]

THE RECENT landmine explosions in the northern and north-eastern Transvaal have once again raised the problem of security in those areas.

As the situation becomes more threatening, full-time farmers are beginning to feel antagonistic towards absentee farmers as they add to their security burden.

South African Agricultural Union (SAAU) president Kobus Jooste said the union was also concerned about farmers selling their farms to non-farmers.

New government measures to attract and keep people on their border farms were expected soon. Existing incentive schemes have apparently not been successful in keeping farmers on the land.

Jooste said the new measures were likely to include rebates on input costs, improved roads and reduced interest rates.

National Secretariat of Part-time Farmers chairman Izak Fick said there were a minimum of 10 000 part-time or absentee farmers in the country, most of them in the Northern Transvaal or the Cape Karoo.

About 67% of farms in the north and north-western Transvaal — mostly wild game and cattle farms — were occupied by absentee farmers, Fick said. Most such farms were uneconomic, as they were too small, and too far from markets.

Those areas had also been severely stricken by drought.

Fick said research had shown that 21% of the part-time farmers were involved in the medical field, 20% in law, 13% in engineering and 7% in teaching and the civil service.

/9317

CSO: 3400/1999

SOUTH AFRICA

FACTORS LEADING TO INCREASE IN UNEMPLOYMENT DISCUSSED

Durban THE DAILY NEWS in English 15 May 86 p 9

[Article by Bruce Cameron]

[Text]

CAPE TOWN: Unrest, measures taken by foreign countries -- including disinvestment -- and high interest rates have cost jobs in South Africa.

Unemployment, which posed a serious problem, was growing and because of these influences was likely to increase further, warns the latest annual report of the Department of Manpower.

And despite the substantial reforms in labour laws and relations, South Africa continued to be isolated in international labour organisations.

The report says international action was directed towards political and governmental reform rather than changes in labour relations.

Employment fell in all non-agricultural sectors with blacks being the hardest hit, while real earnings dropped by 3,2 percent and whites being the worst affected.

The department urged that a greater degree of sophistication should be shown in industrial negotiations and employers and workers should continually adapt to changing circumstances.

□ Registered unemployment (which does not reflect the real position, particularly of blacks) showed an overall increase of 73 percent between November 1984 and November 1985 with a total of 125 325 unemployed.

However, the position according to the current population census was far worse, with an estimated 515 000 blacks being unemployed in September 1985, 88 000 coloureds and 22 505 Indians.

The more accurate registered unemployment figure for whites stood at 27 771.

Between 60 and 65 percent of the black and coloured unemployed were under the age of 30. Geographically the worst hit

areas were Natal/KwaZulu, the PWV region and the eastern Cape.

The position had become so bad that the Unemployment Insurance Fund was paying out R15 million a month more than was being collected and the Government had been forced to make a R75 million contribution to help out.

The department felt the position could be improved by the Government's special R500 million employment programme this year.

□ The number of strikes dropped last year to 389 from 469 the previous year but the duration increased from 2,1 days on average to 2,8 which was considered "relatively short" by the department.

The number of workers involved increased from 181 942 to 239 816 with the number of man-days lost going from 379 712 to 678 274.

The most common cause of strikes continued to be wage related while the number of strikes related to the dismissal of redundant workers had decreased as a result of bargaining procedures becoming "generally accepted practice".

Most of the strikes occurred in the areas where there was high unemployment -- the PWV area (35 percent), the Durban/Pietermaritzburg axis (14,9 percent) and the eastern Cape (12 percent).

□ Greater use was being made of statutory measures to resolve and avoid industrial disputes.

There was, however, a decrease in the number of employees covered by Industrial Council agreements with about 1,08 million workers having their conditions of employment regulated by Industrial Council agreements at the end of 1985.

The report says there was a growing tendency to conclude agreements on a central-

ised basis although bargaining at local level had become "increasingly important".

□ Last year saw the formation of a powerful 400 000-strong confederation of unions, Cosatu, which had 100 000 more members than the long-established Tucsa.

The paid-up membership of the 196 registered unions (up by three on 1984) decreased by one percent last year involving about 14 percent of the economically active population.

With membership of unregistered unions, the percentage of unionised economically active people increased to 18 percent.

There were 68 unregistered trade unions with an estimated membership of between 300 000 and 500 000.

□ The real earnings of all employees dropped by 3,2 percent last year with whites suffering the hardest knock of five percent, against 2,4 percent by coloureds, 4,2 percent for Indians and 0,9 percent for blacks.

/9274

CSO: 3400/1909

SOUTH AFRICA

BRIEFS

HOTELS FEELING PINCH--As overseas visitors continue to shun SA, hotels in Johannesburg have been hardest hit. Total real income for March fell a massive 38,8%, compared with March last year. Room occupancy dipped dramatically by 27%. Figures released by the Bureau of Financial Analysis at the University of Pretoria show that Pretoria hotels also fared badly, with total real income for March dropping by 33,9%. Fred Thermann, executive director of the Federated Hotel, Liquor and Catering Association (Fedhasa), attributed the slump to the foreign tourist stayaway. He said the fall off in the number of visitors was also hitting restaurateurs who were fighting for survival. Statistics for hotels in the PWV area showed a drop of 28,4% in real income and 23,7% in occupancies. The only hotels which bucked the trend were in the Drakensberg region where increases of 17,4% in income and 9,2% in occupancy were recorded. [Text] [Johannesburg BUSINESS DAY in English 4 Jun 86 p 3] /9317

U.S. ORGANIZATION TO HELP BLACKS--The International Executive Service Corps (IESC), a US business consultancy organisation operating in more than 70 developing countries, is to open an office in SA. This follows a visit to SA last month by a delegation from the Corps led by director Tom Carroll. The organisation will concentrate on what it calls the "deprived communities"--blacks, coloureds and, to a lesser extent, Asians. Commercial section head at the US consulate in Johannesburg, Ben Brown, said the organisation had decided to open an office once it had established several factors--that black businesses would welcome the Corps, that there were enough to need executive consultancy and that executives would not be in physical danger. The IESC is a non-profit making, private organisation sponsored by many US clue chip companies and is operated by retired executives. Executives from all types of companies are brought in for two to three month consultancies on a voluntary basis. They are partly funded by the Corps, partly by the company requiring advice and sometimes partly by US Aid funds. Brown says he expects executives will be brought from the US initially, but hopes that a pool of retired SA executives will develop. The SA Institute of Directors already has a list of retired executives from which it says the IESC could draw people for consulting jobs. The first SA director will be Houghton Halleck, who was previously IESC director in Morocco. The IESC believes that if it had an SA presence, it could have saved Black Chain. [Text] [Johannesburg BUSINESS DAY in English 4 Jun 86 p 3] /9317

10 July 1986

REFINERY CONSTRUCTION GO-AHEAD--Rustenburg Platinum Holdings has announced the go-ahead for the construction of the SAREF refinery on a site close to the existing mining installations as first reported in The Star last week. Johannesburg Consolidated Investments, Rustenburg's holding company, has been appointed principal contractor for the R250 million project, which will make South Africa completely independent of overseas interests in the production of refined platinum. A contract for project management and design services has been awarded to Edward L. Bateman, while construction of the plant is to begin shortly and it is expected to be fully commissioned by the first half of 1989. From then on, all Rustenburg's refining will be moved from the Wadeville plant and the UK Royston plant. SAREF will use a new precious metal refining process based on solvent extraction technology which has been tested at a pilot plant in Royston. "Rustenburg will derive significant benefits from SAREF through a reduction in the operating costs of this new process as compared to those presently borne by Rustenburg at Wadeville and Royston." [Text] [Johannesburg THE STAR in English 11 Jun 86 p 22] /9317

BUILDING JOBS FALL 25 PERCENT--Employment in the construction industry plunged by about 25% from 402 400 in March last year to 300 000 in March this year, Central Statistical Services figures show. Figures showed the total of those employed in mining, manufacturing, construction, electricity, transport and communications, fell by 121 413 to 2 747 888 between last March and this January. Total manufacturing industry employment dropped by 43 100 to 1 320 700 to end-March. [Text] [Johannesburg BUSINESS DAY in English 10 Jun 86 p 3] /9317

FARM DROUGHT AID--A R262-million relief scheme for farmers in the drought-stricken summer rainfall areas was announced in Cape Town yesterday by the Minister of Agriculture and Water Supply, Mr Sarel Hayward. The scheme, which includes interest subsidies, production loans and staggering of debt repayments--for up to 10 years in some cases--will cost about R91-million in the 1986/87 financial year and R262-million for the duration of the plan, according to the statement. It said the scheme followed acceptance by the Government of the Jacobs Committee's recommendations, made after representations by the South African Agricultural Union for continued financial aid in the 1986/87 season. The representations were made because of poor crop yields in some summer rainfall areas and the deteriorating financial position of farmers. [Text] [Johannesburg SUNDAY TIMES in English 8 Jun 86 p 15] /9317

GOLD RESERVES UP 8.9 PERCENT--South Africa's gold and foreign exchange reserves improved marginally in May after a sharp decline the previous month. By month-end they had risen 8.9% to R3,53bn from R3,23bn. Reserve Bank figures released on Friday showed the value of gold holdings increased to R2,9bn from R2,6bn in April. The increase occurred mainly because of a sharp rise in the average price used to calculate the reserves to R719,57 from April's R638,13 per ounce. The gold stock in the vaults

remained virtually unchanged at 4,06bn ounce from April's 4,08bn. This suggests that no gold swaps were done to beef up reserves. The Reserve Bank can either use the forward market to generate dollars or it can do a swap. The May balance on liquid foreign currency was slightly higher at R479,1m (R471,1m) after reserves had dropped 18% in April. Foreign Reserves have been dwindling in recent months with the heavy debt repayments and continued leakages on the capital account. [Text] [Johannesburg BUSINESS DAY in English 9 Jun 86 p 3] /9317

FOREIGN DEBT REPAYMENTS--About \$2,1bn might flow from SA in 1986 in repayment of foreign debt both inside and outside the standstill net, the Financial Director-General Chris Stals said yesterday. Speaking at a meeting of the SA British Trade Association, he said the outflow would only be slightly less than the estimated current account surplus on the balance of payments of \$2.3bn in 1986. This left little scope for any artificial stimulation of economic growth beyond a rate of about 3%, unless SA succeeded in raising new foreign loans. "An economic policy that would increase the rate of inflation in SA or that would put undue pressures on the balance of payments, would certainly be frowned upon by the foreign creditors. "They may not have that much clout in putting political pressures on SA, but in considering a possible extension of the Interim Debt Settlement Arrangement early next year, they will certainly be influenced to a very important extent by the economic developments in the country." The process of political and social reform had to continue and would have an important bearing on the outcome of next year's negotiations with creditors, he said. [Text] [By Gerald Prosalendis] [Johannesburg BUSINESS DAY in English 23 May 86 p 3] /9274

U.S. CHEMICAL COMPANY TO LEAVE--New York--U.S. chemical company Rohm and Haas is pulling out of SA--but strictly for economic reasons, it insists. It is selling its SA subsidiary to local interests because the operation has been marginally profitable for some years and the chances of improvement look slim, said a spokesman. He said "social pressures" were not a factor. The decision was taken "in view of the state of the economy in SA." Buyers include the subsidiary's present managers. Terms were not disclosed, but the company--which makes industrial and agricultural chemicals--said it would make a loss of about \$2,7 m in its second quarter in connection with the sale. The unit, whose net assets were said to be under \$10 m, employs about 100 people at its Heriotdale premises near Johannesburg. The unit's \$11m turnover represents a fraction of Rohm and Haas's \$2,000m in international sales. [Text] [By Richard Walker] [Johannesburg BUSINESS DAY in English 23 May 86 p 3] /9274

10 July 1986

NATION LEADS IN FUEL PRICE INCREASES--House of Assembly--In the two years from March 1984 to February 1986 South Africa had the highest fuel price increase among 12 major Western nations, Mr John Malcomess (PFP, Port Elizabeth Central) said in the House. The fuel price went up 40 percent in that period. Speaking in debate on the mineral and energy affairs allocation in the Budget, he said he was not satisfied that officials monitoring the fuel price were always aware of the Government's stated commitment to free enterprise. "They should be closely watched by the Minister (Mr Danie Steyn) and by Parliament," he said. Calling for strong representation of private enterprise on the Strategic Fuel Fund, he noted that in 1985 fuel pipelines made a profit of 76 percent on turnover. This was a further tax on the petrol price and was used to subsidise losses on the railway passenger services. This and other taxes on fuel had a "massive effect on inflation," Mr Malcomess said. He described the filling station rationalisation plan which limits the number of fuel retail outlets as being "very nice for vested interests but murder for the free market system." [Text] [Johannesburg THE CITIZEN in English 7 Jun 86 p 4] /9317

NEW LIFE FOR KIMBERLEY MINES--Bold new developments by De Beers at Kimberley's Dutoitspan and Bultfontein mines are expected to extend mining operations at these mines to 1991. However, details regarding the influence these will have on the company's eventual shut-down of mining and dump rewashing operations in the city are not available at this stage. The mines, both more than 100 years old, are being deepened in a project that will see a switch to sub-level caving from the long-established block-caving system of mining. The two mines have for some years shared a joint shaft system and will continue to do so. However, mining operations will be taken deeper with the development at each mine of a spiral roadway--from 760m level at Dutoitspan--rather than by deepening the shaft. [Text] [Johannesburg THE STAR in English 12 Jun 86 p 23] /9317

CSO: 3400/1993

SOUTH AFRICA

STAKES GETTING HIGHER AS COUNTRY BEATS ARMS BANS

Johannesburg THE STAR in English 31 May 86 p 6

[Article by Michael Morris]

[Text]

LONDON — South Africa has weathered the arms embargo so far, but the stakes are getting higher, according to two reports presented in London to a world conference on the arms ban.

Charting events since the 1977 United Nations resolution declaring a mandatory arms ban, the reports say: "Pretoria has made progress in producing much of its own military equipment with help from outside, but large parts of its arsenal are obsolete or about to become so."

South Africa will "need even more massive and visible infusions of strategic technology from abroad" to maintain and enlarge its armed forces.

For this reason, one report suggests, the international arms embargo "is likely to face its severest test over the next few years".

This is one of a number of reports being considered by 150 delegates from more than 30 countries who have gathered in London for a three-day conference to find ways to make the embargo more effective.

Reports highlight South Africa's reliance on foreign arms and technology — and the frequent failure of the international community's efforts to stop equipment and know-how getting through.

In the wake of South Africa's incursion into Angola last week — and the raids on Gaborone, Harare and Lusaka — UN agencies and others working for a tougher ban have expressed concern over America's supply of Stinger missiles to Dr Jonas Savimbi's Unita rebels.

They say it will give South Africa access to vital and sophisticated missile technology, if not the missiles themselves.

The Stinger issue aside, the reports of the conference say, South Africa is "engaged in a massive concerted operation" through undercover Armscor agents and embassy staff abroad to buy arms on foreign markets.

CIVILIAN TECHNOLOGY

In many cases, arms experts say, loopholes in the West's export legislation have made the arms agents' task that much easier.

Reports say that besides direct procurement of arms and military equipment, South Africa draws extensive military expertise from civilian-use technology.

One report cites the CSIR's importation of two powerful computers, the Control Data Cyber 170/750 and an Amdahl 450/V7. The Cyber unit is capable of being used to break US secret codes, and for nuclear weapons-related research.

The US administration insists on assurances from South Africa that equipment of this kind is not used for military use, but, the report says, "such restrictions seem far from foolproof".

One report says the arms embargo against South Africa has been critically undermined by gaping loopholes in British and US export legislation.

"Ultimately", one report says, "the most critical ingredient of a successful embargo is the political will to make it effective".

South Africa probably has, in Britain and America, its best friends in the West. Both countries embraced the UN embargo in the late 1970s, but their legislation has left loopholes through which South Africa has drawn much of its military expertise.

The report says: "South Africa has an array of high-tech products at its disposal. This includes the so-called 'precursor technologies', such as fibre optics and laser technology manufactured by a West German subsidiary of the US ITT corporation.

"Although this technology is being used in civilian telecommunications in South Africa, it is vital to a whole new generation of weapons systems."

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CSO: 3400/010

SOUTH AFRICA

ENGINEERING SECTOR LAUNCHES EXPORT DRIVE

Johannesburg THE SUNDAY STAR (Finance) in English 8 Jun 86 p 3

[Article by Malcolm Fothergill]

[Text]

AN intensive, industry-wide initiative aimed at multiplying exports from South Africa's engineering sector gets off the ground on Wednesday, July 2, at a conference in Sandton.

Top-level representatives from both the private and public sectors will attend. Also there will be representatives from Sercobe, the non-profit-making Spanish export-promotion body on which the South African initiative, called Exprosa, is being modelled.

In the 25 years since it was started, Sercobe has increased Spanish exports of engineering goods and services by 22 percent a year, in value terms.

Says Exprosa chairman Mr Rex Carlisle: "In spite of political problems, I see no reason why we shouldn't emulate the Spanish performance." He believes South Africa will start reaping the fruits of a sustained, industry-specific export push within two or three years.

Exprosa has already appointed a marketing expert in London and

formed links in Britain with an international organisation involved in counter-trade operating in markets generally accepted as being closed to South Africa.

In the second half of this year it will set up an office in America, probably in Atlanta or Miami, and agencies in Latin America and the Far East.

Exprosa's relationship with South America is expected to be particularly strong, in part through its links with Latinequip, a company that aims to increase exports of capital goods from Argentina, Brazil and Mexico.

"They see us as a very significant partner, particularly because of our higher levels of technology," says Mr Carlisle.

Among Exprosa's priorities will be to provide continuity in South Africa's engineering-export efforts.

"We have to be there year after year plugging away," says Mr Carlisle. "There has to be a constant effort in the field."

Mr Lance Scovell, manager of the National Productivity Institute's financial advisory services, points to another role Exprosa will be able to play, that of aiming engineering goods at specific markets.

Competitiveness, he says, goes far deeper than price: "A high degree of specialisation is essential to exploit export markets. Hawking an engineering product on price will achieve nothing."

Recent successes, he believes, have probably been caused more by buyers seeing South Africa as a "distressed seller" than by inspired marketing.

Latest figures for 1985 until October show the value of South African exports of base metals at R3 357,8 million, machinery at R421 million and vehicles at R283,2 million.

The engineering sector accounts for about a third of South Africa's manufacturing, which in turn accounts for about a quarter of the country's economic activity.

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CSO: 3400/016

10 July 1986

SOUTH AFRICA

WORK FORCE AFFECTED BY BUILDING INDUSTRY CRISIS

East London DAILY DISPATCH in English 3 Jun 86 p 9

[Text]

EAST LONDON — The building industry in East London has received a mild shock in comparison to other major centres in the midst of the current crisis in the industry, which has suffered a 40 per cent reduction in the workforce.

During the current slump, the East London area experienced a 21 per cent overall decline from 1984, with a loss of about 1 300 jobs, while 70 000 jobs were lost in the main South African centres.

The decrease in employers registered with the industry in the area was 22 per cent.

In the Port Elizabeth area, the industry faced a 47 per cent drop in overall work force from September 1985 to March 1986. In the greater Durban area, more than 17 000 men at all levels of the industry either have been retrenched or have quit during the current crisis.

The secretary of the Industrial Council for the Building Industry in East London, Mr Gerald Reed, said the highest drop in employees here occurred in the semi-skilled, or operator posts, with a 38 per cent decline. There were about 1 000 semi-skilled workers in 1985 with a decline to 635 by April 1986.

He said the numbers would fluctuate according to what work was available at the time.

The artisan level faced a 29 per cent decline, followed by a 19 per cent decline in unskilled labour.

In the Port Elizabeth area, the unskilled workers were the hardest hit with a 35 per cent drop from 7 155 workers in September of 1984 to 4 638 at the same period in 1985. In East London the number of unskilled labourers dropped from 3 700 to approximately 3 000.

At present about 615 artisans were employed in the East London area in April this year, compared to 875 in

When asked if brighter prospects existed for the area, Mr Reed said: "The government contracts and capital investments keep the industry on a level keel. If the government would release more money for black housing, and possibly coloured housing, things would brighten up."

To a certain extent, the contracting in this area has been buoyed somewhat by Ciskei and Transkei, the chairman of the Master Builders Association in East London, Mr Ian Friend, said.

However, some contractors would most likely go under before the industry picked up. He said that some contractors work at cost or even below in order to survive.

"Our biggest hope is for increased government spending and the easiest area would be low-cost housing. We

need more investment in East London."

"An advantage, he said was that this would make use of one of the area's largest resources, labour, as the work was labour intensive.

If divestment of major companies in the area were to continue, resulting in people leaving, then the house builder would suffer as more houses would come on to the market, he said.

The president of the Master Builders Association, Eastern Cape, Mr Tony Corral, said the recent slide began in 1984.

"We're hopefully at rock bottom and we can only hope that it will improve. We are looking forward to things getting better. We in Port Elizabeth have a positive attitude for the future."

He said a tragedy existed at the artisan level because when the artisans left "they left the industry completely" and did not come back at all.

"In good times, or boom times, we then experience a shortage of skilled workers and artisans."

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CSO: 3400/009

SOUTH AFRICA

COMPUTER INDUSTRY EXPANDING RAPIDLY

Johannesburg SUNDAY TIMES (Business Times) in English 8 Jun 86 p 5

[Article by Amrit Manga]

[Text]

THE computer industry is still expanding rapidly in South Africa, although socio-political factors have slowed it down.

Maurice Reznik, president of the Business Equipment Association, says: "We are experiencing a degree of maturity in the industry. The market for mainframe computers is stable. Even mainframe compatible companies are offering long-term support."

Cost burden

Mr Reznik believes the shake-out in the lower end of the industry has only begun. The fly-by-nights offering personal computers at knock-down prices cannot offer continuity and levels of support at their own expense and the user ultimately has to carry the cost burden.

"We will see more professional and secure outlets which can offer the guarantee that they will still be around tomorrow.

"The computer industry has too many suppliers in a small market.

"On top of that the expected upsurge of PCs in the home did not come about and the market is restricted to the business environment.

"Furthermore, computers have not penetrated the manufacturing environment (in the form of computer-aided manufacturing) as initially predicted and robotics has not taken off.

"Computer literacy is only beginning to filter through to the large number of potential users."

He believes that the dumping of computers will cause a short-term problem. Users will buy on price, but will not receive support. The big companies always offer the necessary backing and support to protect their reputation.

Distinction

Mr Reznik says: "The no-name brands can hardly offer this level of commitment."

In terms of trends developing in the industry, he mentions the implementation of networks to link the large established bases of PCs and word-processing equipment.

There is a clear distinction today between PCs and dedicated word processors in that each is individually more suitable for its designed areas of application.

"Few computers are used for word processing alone — this would not be cost effective," says Mr Reznik.

Laser disc

Another technology coming to the fore is laser disc storage. It offers a great step forward in mass data-storage and retrieval facilities.

Financial services are taking off faster in South Africa than in Europe. The conservative Europeans are more cheque-bound than South Africans.

"South Africans, for example, have taken to the use of plastic card money and electronic banking facilities in a short time."

Mr Reznik foresees that the BEA will play an increasingly important role in stabilising trade practices, in indicating the proper use of automation, in developing end-user appeal for automation and in encouraging high standards by dealers.

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CSO: 3400/016

SOUTH AFRICA

DIVERSIFICATION OF PORT ELIZABETH INDUSTRY NOTED

Port Elizabeth EVENING POST in English 28 May 86 p 3

[Text]

IN a major breakthrough in Port Elizabeth's bid to diversify its manufacturing base, the Ford engine plant in Struandale is now turning out large stainless steel valves for the mining industry.

The possibility of supplying the mining industry was raised when Ford and Amcar amalgamated to form Samcor last year.

And, according to Samcor's public affairs manager, Mr Ruben Els, the company is continually looking at other possible products that would be compatible with the facilities at the engine plant.

The butterfly valves and ball valve components now being made for the mining industry could also be used in the Mossel Bay gas project. "We are also looking at other op-

portunities nationally and internationally," Mr Els said in Pretoria.

He said the engine plant would definitely continue to operate in PE.

The Ford diversification is, however, only one example of how PE industrialists are seeking ways of extending their range of activities.

In the process a glass manufacturer has developed a moulded polyurethane products division; a company which makes body pressings for the motor industry has developed an award-winning invalid bath and a portable spa bath.

A company which makes springs for the motor industry is making a cutting wire used in brick manufacture; a manufacturer of exhaust systems is selling stainless steel

tubing to the furniture industry; and a maker of wiring harnesses has gone into plastics.

Pilkington Shatterprufe has started a moulded plastics products division which produces a variety of products by using a reaction injection moulding process which allows them to make a range of integral skin foam products.

Like a large number of companies they are, however, actively pursuing export opportunities.

The opportunities for diversification appear almost limitless.

According to the city's industrial development officer, Mr Andre Crouse, there are 312 categories of goods which were not made in South Africa. "And many of them could and should be made here."

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CSO: 3400/009

10 July 1986

SOUTH AFRICA

FERROUS CASTING SECTOR PRODUCTION DOWN

Johannesburg BUSINESS DAY in English 9 Jun 86 p 3

[Excerpt]

A MAJOR output drop of 31% in the automotive component industry has sent production figures for the ferrous casting sector sliding downwards.

With no turnaround seen for 1986, the sector is fiercely competitive and the industry utilisation level is substantially below normal production.

Results of a Steel and Engineering Industries Federation of SA (Seifsa) report show that production dropped from a peak of 601 800 tons in 1975 to a low of 295 500 in 1985, a decrease of 50.9%. Compared to 1984, this reflects a drop of 17.7% in total tonnage.

Figures released (see table) by Seifsa reflect the volume-sensitive nature of the industry and its reliance on strong activity levels in the mining, building and construction sectors.

A spokesman for Seifsa said several foundries made strenuous efforts during 1985 to develop an export market in quality castings.

"Despite the weakness of the rand, penetration of foreign markets proved difficult."

He said drops of 19% in both the machinery and transport equipment sectors had resulted in severe cutbacks in demand.

"Notwithstanding the large under-demand for castings, a number of SA foundries have embarked on new technology developments.

"This will put them in a position to meet any turnaround in demand for high-quality products."

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CSO: 3400/016

SOUTH AFRICA

NATIONAL OIL RIG TENDERS REPLACE FOREIGNERS

Port Elizabeth EVENING POST in English 30 May 86 p 7

[Article by George Young]

[Text]

THE introduction to the Cape coast by Unicorn Lines and Pentow Marine (recently accepted as a member of the SA Ship-owners Association) of tenders serving oil rigs along the seaboard, is bad news for the German and Dutch operators of similar craft which for the past few years have been on charter.

The expenditure of foreign currency on these craft became a major burden when the value of the rand declined last year, and local companies secured charters from Soekor to operate locally-owned ships using South African crews.

Unicorn recently commissioned the pipe-carrying craft Voorspeler, bought from the German concern OSA which admits having to lay up 20 of its fleet and declare 438 West German seafarers redundant because of the downturn in international oil drilling. Smit-Lloyd, who also have a tug on charter in South African waters, are suffering the same trauma.

The Pentow Skua, brought recently from the North Sea, will attend to the anchors of the tugs. Owned jointly by Safmarine and Murray & Roberts, the Pentow Skua will work with the Unicorn craft, Voortrekker and Voorspeler.

While in Port Elizabeth loading stores last week, the Voorspeler picked up a short-notice contract to supply water to a laden bulker which, after considerable electrical troubles since sailing from Richards Bay, did not have sufficient water for the non-stop voyage to Rotterdam.

Voorspeler, expressly designed to supply stores, secured a useful dollar charter in Algoa Bay.

While Pentow Marine and Unicorn are different companies, directed from separate offices, both are connected with Safmarine, and they will have to work together.

Safmarine has a 50% holding in Pentow Marine, and 40% in Unicorn, but the crews are

not interchangeable, and are responsible to different managements.

Costly salvage

WHILE the doomed bulk-er Kapodistrias sits on Thunderbolt Reef, a total loss of both hull and cargo, salvors in Australia who succeeded in refloating a ship from a similar situation may in the end have increased rather than reduced the loss to insurance.

Seen on the TV news a few weeks ago in South Africa, the Indian bulker Jhansi Ki Rani with a coal cargo for Japan ran aground on the Great Barrier Reef. She flooded double-bottom tanks and some holds, and required costly salvage enterprise to refloat.

Because the cargo was regarded as important, the damaged spaces were blown out by compressed air and the ship was successfully retrieved. But through the tattered bottom plating more than 15 000 tons of coal poured out to the seabed.

After temporary patching, the ship must be towed to Japan for discharge, or possibly to Singapore, and because of the surplus of bulkers to demand the 11-year-old ship may not be regarded worth reconstruction in a shipyard.

Some people believed that the Kapodistrias was abandoned too soon on Thunderbolt Reef when the machinery spaces flooded last August and the salvors, who had already spent a formidable sum, abandoned their "No cure-no pay" contract. Without power to drive pumps, and with prospect of the ship sinking if successfully refloated, the salvors quit.

But if the Kapodistrias by good luck did refloat, where could the tugs take her for a safe anchorage? She would have been too deep to enter the harbour, and would require considerable temporary patching to enable towage to a repair port.

She is probably better off where she is.

Recalling the final attempt last August to refloat the Kapodistrias, Captain Di Davies, who was in charge of the salvage operation, this week said that he had hoped the recovery of the ship and cargo would have been his best birthday gift ever.

The salvors had regained considerable buoyancy in the ship and she was responding to the haulage by the tugs John Ross and Causeway Adventurer in a rising gale.

"My heart sank when my engineer colleague phoned from the engine room to report that seawater was streaming in uncontrollably, seven pumps were proving inadequate, and all power would soon be lost. That was the end of my birthday present," Captain Davies said with a laugh.

A rock had pierced the engineroom plating, and at the same time the John Ross touched bottom aft, and her loss would possibly have been even more serious than the Kapodistrias.

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CSO: 3400/009

SOUTH AFRICA

NEW DISCOVERY TO REVOLUTIONIZE METHOD OF EXPLORING GAS, OIL

Johannesburg THE SUNDAY STAR in English 8 Jun 86 p 6

[Article by Dan Side]

[Text]

TWO South African scientists have made a discovery that should revolutionise worldwide the petroleum industry's methods of exploring for natural gas and crude oil, saving individual companies millions of rands.

Soekor geophysicist George Smith, helped by Maurice Gidlow, was responsible for the breakthrough, "Geostack", unveiled at the conference of the European Association of Exploration Geophysicists in Ostend, Belgium, on Wednesday.

It is a new seismic procedure that verifies the presence of natural gas in a geologically promising reservoir. And gas is most often the sign of an underlying pool of crude oil.

"Oil usually has a gas cap," said Smith before his departure for Europe, "and, in the South African context, I can't believe oil could be found without the presence of any gas at all."

Simply explained, the system, patented by Soekor on May 26, is a series of complex mathematical formulae

that allows better processing of the data received by the seismograph.

Smith and Gidlow tested Geostack on site at Soekor's important new finds in the F-A field off Mossel Bay.

"We are using it to refine the geological picture of the gas field, and hopefully we will be able to use it in the exploration for new gas and oil fields," said Smith.

"A severe testing programme under known conditions is now under way, in order to determine the practical limitations of this new technique.

"It should not be confused with the 'bright spot' method. In certain areas of the world, like offshore in the Gulf of Mexico off Texas and Louisiana, they've got shallow gas reservoirs that show up as bright reflections on seismic data.

"That data is processed conventionally, but in most cases elsewhere in the world the technique does not work well. The Geo-stack

method is something completely different. It was developed offshore, but it should also work on land and should have application anywhere in the world."

It is surprising that it was South African geophysicists who presented the papers at Ostend last Wednesday to herald a new era in seismic exploration.

The European Association of Exploration Geophysicists has about 4 000 members from 86 countries, but only 12 are from South Africa. Smith is accompanied by a South African colleague this year, but only one South African representative attended last year's convention in Budapest.

South African is how Smith considers himself, in spite of his being born at Sutton-on-Ashfield in Nottinghamshire 36 years ago.

He graduated from Cambridge University in 1970 and worked for five years in parts as far afield as Somalia, Nigeria, Denmark and Iran before coming to South Africa to work for Soekor.

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CSO: 3400/016

SOUTH AFRICA

MOSSEL BAY SEAGAS RESOURCES DESCRIBED

Resources Considered Inexhaustible

Johannesburg THE STAR in English 11 Jun 86 p 8

[Article by Jaap Boekkooi]

[Text]

South Africa's seagas resources, soon to be exploited at Mossel Bay, will last forever, says Soekor general manager Dr Ken Graham.

Speaking at a seminar, Dr Graham forecast that the country would discover "more gas much faster than the present (Mossel Bay) project can use it up".

Before the Mossel Bay petrol-from-seagas project is built, Soekor will be busy on another feasibility study based on totally separate gas reserves off the south coast — which would lead to an expanded plant at Mossel Bay or an entirely new plant elsewhere.

The Kudu gas field, off the Orange River mouth — only tested from one well — could prove larger than the Mossel Bay field. Thus gas and its conversion into liquid fuels would play "an important role in the South African energy scene for a very long time".

It would enable South Africa to become the world leader in synthetic fuels, and help the country to lead the rest of the world into "the next gas-based world energy era".

Although no decision has been made yet on the process to convert Mossel Bay seagas into fuel, there are three choices — but one is in danger of American sanctions.

10 July 1986

U.S. Sanctions Could Hinder

Johannesburg BUSINESS DAY in English 6 Jun 86 p 3

[Article by Hamish McIndoe]

[Text]

LATEST US sanctions proposals could severely hinder foreign oil company involvement in the R5bn Mossel Bay oil-from-gas project, analysts say.

Jointly sponsored by Democratic Senator Edward Kennedy and Congressman William Grey, the Bill introduced in Congress late last month includes a ban on new US investment in SA.

Department of Mineral and Energy Affairs deputy-director Theuns Burger admits such a ban could have a serious impact on the project.

US oil companies Mobil and Caltex would be barred from offering technology and expertise in the development of Mossel Bay if President Ronald Reagan adopted the Bill's investment ban.

"Mobil technology has been mentioned as a possible route in the liquefaction process at Mossel Bay," says Burger.

Three non-oil US companies have already been strongly urged to withdraw from the Mossel Bay project by the House of Representatives subcommittee on Africa.

Soekor declines to comment on how government's open invitation to foreign oil companies to help develop Mossel Bay has been affected by the latest sanctions moves in the US.

"We are not involved in the negotiations," a Soekor spokesman said yesterday.

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CSO: 3400/015

SOUTH AFRICA

MOTOR INDUSTRY PROBLEMS LIKELY TO CONTINUE

Johannesburg THE SUNDAY STAR (Finance) in English 25 May 86 p 5

[Text]

SOUTH African vehicle ownership is still 20 percent too high and the problems currently confronting the motor industry are likely to continue.

These are among the startling conclusions of leading stock broking firm Simpson, Frater, Stein and Strong, which has just released a detailed report on the industry.

Another of the grim observations made by the brokers is that prospective vehicle buyers are probably in for a further rough ride because selling prices remain 10 percent too low.

The report, by analyst Howard Mountain, says that in 1985 Real Gross Domestic Product (GDP) per capita declined to the 1972 level. And vehicle ownership per capita, says Mr Mountain, has always been highly correlated with GDP.

"Given present GDP per capita we believe vehicle ownership is about 20 percent too high," maintains the report.

"This fundamental imbalance will result in sales remaining at low levels until GDP per capita improves significantly. Without a higher gold price, this correction could take from three to five years."

The motor manufacturing industry's plight is compounded by a number of factors. These include extremely low demand from individuals because of lack of disposable income and depressed company fleet purchases because of perks tax.

Industry representatives have made appeals to the government to ease their plight. Suggestions have included scrapping the perks tax, reducing GST, easing excise duties and extending HP repayment periods.

But the broker's talks with industry executives suggest that the government would prefer to see market forces run their course — possibly further reducing the number of

participants in the industry — and that little assistance will be forthcoming.

Mr Mountain says upward pressure on selling prices is still evident because of high local inflation and higher interest and depreciation burdens.

In addition, the Yen is likely to strengthen further and manufacturers are no longer able to absorb such currency-induced cost rises.

"Under these conditions cost increases will be passed on in selling prices. This will further depress sales volumes in the absence of some form of government relief.

"Discussions with industry executives suggest that April sales exhibited no improvement and will barely match the low march figure. The industry forecasts sales of 280 000 units (185 000 cars) for 1986, rising by about 11 percent in 1987.

"We feel that this figure is too optimistic and anticipate sales of

240 000 units (160 000 cars)."

One of the major negative factors behind the industry's malaise is the violent alteration in the exchange rate picture over the last year or so.

The effect varies little from one manufacturer to another as most imported content is sourced in Japan or Germany. Since the end of 1980 the rand has depreciated by about 70 percent and 62 percent relative to the Yen and the Deutschmark respectively and this has resulted in higher vehicle prices and increased working capital requirements per unit of production.

"What is of importance, however, is that the industry must now pass on cost increases to an increasing extent," notes the report. "the overall size of the market in the sort to medium term thus seems likely to be determined predominately by the extent of the exchange rate — induced selling price increases."

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CSO: 3400/010

SOUTH AFRICA

STEEL COMPANY OFFICIAL EXPRESSES OPTIMISTIC VIEWS

Johannesburg BUSINESS DAY in English 27 May 86 p 17

[Article by Barry Baxter]

[Text]

MS&A produces two types of chrome alloys — charge chrome and low carbon ferrochrome — both essential components in the production of stainless steel.

About 90% of production is sold overseas and export revenues from the alloys division have made a very significant contribution to the company's remarkable profit turnaround.

Yearly export tonnages are now running at 250 000 tons of charge chrome and 35 000 tons of low carbon ferrochrome.

Main foreign customers are steelmakers in Western Europe, the US and Japan. Western European customers take around 50% of the export totals of each product, users in the US and Japan share the remaining tonnages almost equally.

Day-to-day overseas marketing of the alloys is in the hands of Chris Rosholt, who spends most of his time on the international road, winning friends and customers for the company.

Rosholt was interviewed on the day (May 19) of the SADF excursions into Zimbabwe, Zambia and Botswana. As we spoke, foreign governments were beginning to censure SA for the raids and restart the international rumblings about trade sanctions. Did Rosholt fear such action?

"Of course all exporting companies are concerned about sanctions," he replied. "But in the case of ferrochrome, SA has some insurance. The country has 80% of the world's reserves of chrome and SA producers have around 50% of the world's production capacity for charge chrome. Also, half of the chrome reserves are under the control of Rand Mines which is, like ourselves, within the Barlow group.

"Although our customers are naturally concerned about the perceived instability of the situation in SA, it is not possible in the short-term for them to diversify their sources of supply from an area which is such a dominant producer of the material they want.

"All this puts local producers in a strong position, but we are far from complacent and well aware that long-term solutions to political problems must be achieved if any company in SA is going to be able to sustain long-term export growth."

Estimates of worldwide growth in the production and use of stainless steel are generally around 3% per annum, with some more optimistic analysts talking about 5%.

Rosholt believes growth is assured. "The use of stainless steel worldwide is growing," he says. "It is not bio-degradable and although the initial cost is higher than other steels, users realise that for many applications the low maintenance costs of stainless steel spread over the much longer life soon compensate for the higher price."

He considers Japanese producers of stainless steel constitute a prime growth area for exports of SA ferrochrome.

"Until now, Japanese steelmakers have strongly supported their own producers, even though that policy was costing them a lot because of the high costs of domestic production. Their motivation was partly to secure a domestic source of supply and partly loyalty to their associate companies.

"Cutting back on local production in favour of imports was made more difficult for the Japanese because of their concept of lifetime employment for workers in factories and mills. The extra costs of the local prod-

uct were absorbed almost as a social cost, but the recent strengthening of the yen has sent their price of local production so high that the concept is starting to fall away and we have discerned a trend to greater Japanese imports of ferrochrome."

Rosholt has been concentrating on the Japanese steel producers for some time.

"MS&A started doing business in Japan more than 10 years ago and in that time has put a lot of effort into developing good relations with customers in an area where reliability, service, and competitiveness are of paramount importance," he says.

"I believe these relationships are now very strong and will pay us many further dividends."

North America and Australia are other markets Rosholt is studying.

Sometimes during their export efforts, Rosholt is confronted by problems caused by MS&A, which is SA's only producer of stainless steel, exporting the finished product as well as chrome alloys, and often to customers in the same countries!

"The team marketing the stainless steel and myself work somewhat independently, and it can be something of a corporate egg-dance at times," Rosholt laughs.

The alloys division's relatively strong position against sanctions has been demonstrated by the steel and alloy trades. Some countries have made noises against steel imports from SA, but have realised their own steel mills could not continue to operate without alloys from this country.

The division employs around 1 400 people and production is at two locations: the main plant at Middelburg produces all the low carbon ferrochrome and 60% of the charge chrome, a plant at Krugersdorp produces the balance of the charge chrome.

The Krugersdorp plant has a plasma-arc furnace which, when it was commissioned in 1984, was the world's first commercial furnace employing such technology. This plant's strength is that it can produce differentiated grades of ferrochrome.

Until 1969, the technology for making stainless steel relied on low carbon ferrochrome, which generally had a carbon content of 0,05%. The introduction in 1969 of the Argon Oxygen Decarburisation Vessel made it possible to utilise the cheaper, but relatively high carbon content (6% to 8%), charge chrome and remove the excess carbon during the production process.

This gave a tremendous boost to demand for charge chrome which progressively replaced the low-carbon product. Although low carbon ferrochrome is still a final additive in the production of stainless steel, it is used mainly for foundry applications and in the production of alloy steels.

FEW companies have managed to capitalise in the export markets with the cheap rand as well as MS&A.

"We came back from a loss of R19,9m in 1983 to breakeven in 1984 and a profit of R52,5m in 1985 — and I am not unhappy with the way 1986 is looking," says chairman John Hall.

"Although the alloys division has made good profits, the most encouraging thing has been the way the steel mill has ironed out its technical problems.

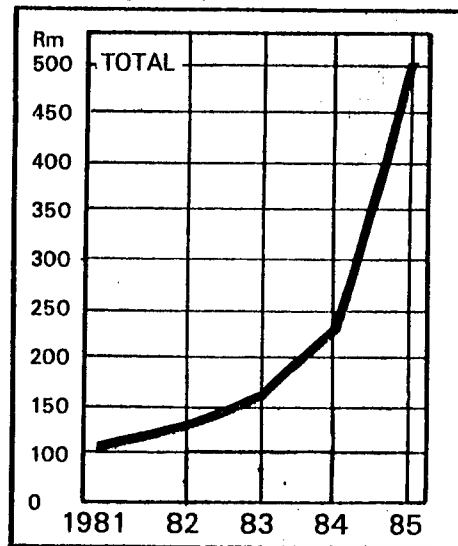
"It is a highly sophisticated operation with massive teething problems which were not fully anticipated. It required incredible dedication by those people to pull it around.

"It is now a superbly run mill capable of supplying the best materials in the world and to remain in business in today's conditions is no mean achievement.

"If the mill can hover around the breakeven situation in the worst conditions I have ever seen, then an economic recovery in SA and in world prices will turn it into a real moneyspinner."

Three factors played a part in the turnaround: improved volumes from the new stainless steel mill, a rise in world ferro-

TURNOVER



chrome prices as a result of strengthening demand during the 1983-85 world economic recovery, and finally the collapse of the rand, which boosted the rand value of export sales.

"At the tail end of the commissioning problems in 1984 the steel division was not doing at all well," says financial director Jim Tennant.

"Volumes were improving but, ironically, as the steel division's production came right,

dollar prices came off, so recovery was delayed.

"Market conditions were also tough in SA. With customer wariness about our late deliveries, quite a lot of imported steel came in against us.

"The market needed convincing that supply could be relied on."

In spite of stainless steel prices weakening

DRAMATIC TURNAROUND

	(Rm)		
	1985	1984	1983
Turnover	506	239	168
Profit before interest and tax..	66.9	8.7	-9.6
Profit after tax	52.5	0.5	-19.9

internationally, world volumes were at a high level.

But the big impact was in alloys, where the world economic recovery also caused dollar prices to rise at a time when sales volumes were climbing.

Finally, says Tennant, "the rand fell out of bed."

How important is a cheap rand to MS&A success?

"We were helped by the devaluation of the rand but I always think of currency gains as funny money," says Hall.

"When you have the inflation rates we have you eventually run out of areas where you can improve productivity. About 40% of our inputs are subject to administered prices."

"Very few overseas ferrochrome producers competing against us for share are making money. Some producers are now closing because they can't compete on price.

"We also have the advantage of being very close to our ore reserves and coal supplies. Many of our competitors have to transport the chromium ore and that makes them uncompetitive.

"On the stainless steel side, we believe we are cost-competitive with most overseas mills — even though ours is a relatively small mill by international standards."

Despite the success of the export drive, however, MS&A's executives feel they badly need an upturn in the local market. Every viable mill in the world requires a stable and strong domestic market.

"We saw the local market growing at a very fast rate back in 1979, and with all the turmoil we have had in the last four years the country has probably seen no growth at all. So a lot of major capital projects were shelved," said Tennant.

"We now have a mill that is just waiting for the local market to recover."

The decision to build the R200m mill was justified on a local market of 40 000 tons a year, with a total production capability of 60 000 tons in the justification. The original intention was to gradually reduce exports as the local market grew.

With current production at 90 000 tons a year, the mill is well poised for local growth.

The mill was designed so that for small additional capital outlays large incremental tonnages can be obtained.

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CSO: 3400/008

10 July 1986

SOUTH AFRICA

NEW LOW-CHROME STAINLESS STEEL DESCRIBED

Johannesburg BUSINESS DAY in English 27 May 86 p 15

[Text]

GREAT hopes are pinned on 3CR12, a revolutionary new low-chrome stainless steel which is more corrosion resistant than conventional stainless steel but stronger and only 60% of the cost.

It is with 3CR12 that MS&A's main hopes rest for future expansion of the world chromium market.

"In the long term we see a 1% penetration into the world chromium steel market which will double the world demand for ferrochromium," says marketing director Leo Melvill.

The name 3CR12 may seem a mouthful, but it derives from the technical description of the product, which is a titanium stabilised chromium-containing, corrosion-resisting steel, with roughly 12% chromium.

It was developed as an alternative material where mild and low-alloy structural steels have inadequate corrosion resistance. Coatings such as paint or galvanising are inappropriate because of mechanical, thermal or chemical degradation.

"We position it in the market somewhere between coated carbon steel and ordinary grades of stainless steel," says Melvill.

"3CR12 is a lean stainless steel, with a chromium content of 11.5% to 12% compared with 18% in conventional stainless steel. It is an industrial steel rather than a type used in consumer products.

"It is a volume metal which would be used for an underground ore car, for example, or for wheelbarrows, while pure stainless steel would be used for such products as hospital equipment, milk churns and cutlery."

New and potential markets for 3CR12 include industrial grid flooring (especially in chemical plants), mini-containers for the railways which are already being constructed with the metal, exhaust systems, and even home braais.

Most 3CR12 in SA is being utilised in the mining industry for such diverse products as flooring, handrails, ore cars, loading station steelwork and buntons.

Some recent applications (both here and abroad) of interest to industry are spirally-welded tube, coach frames and bodies, heat recuperators, animal feed hoppers, beet sugar equipment, and industrial cooling equipment.

All these areas previously involved high maintenance and plant shutdown costs due to corrosion.

"You don't just sell stainless steel," says Melvill. "You have to create an atmosphere to sell it. We rely heavily on the person who is converting it into a product."

"In selling 3CR12 you have got to sell the ore car or the industrial flooring. In materials handling such as underground ore handling, the 'slideability' of 3CR12 is important."

A coating is only as good as its weakest point, says Melvill. "Once you chip it, you have rust. But 3CR12 is corrosion resistant all the way through."

Typical of the best applications for 3CR12 are where there is wet abrasion, for example in coal handling — you don't have to have a hard steel to resist abrasion — and in sewage plants. As Melvill says: "You want the plant to last and to be maintenance-free."

Similar products have been produced elsewhere in the world in thinner gauges, but the thicker gauges of 3CR12, with its good weldability, are unique.

American producers previously used a similar (but not identical) system for exhaust systems, but when it was rolled thicker it had a brittle weld.

"The secret," says Melvill, "lies in both the technique of manufacture and the ingredients."

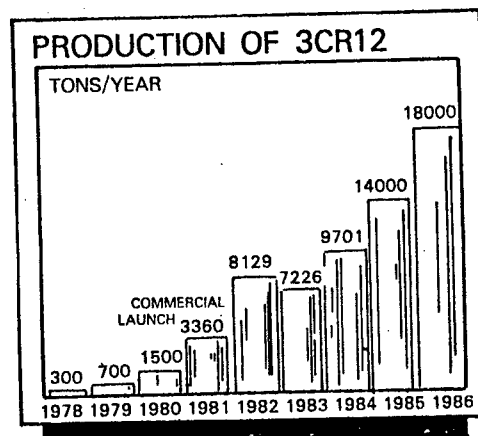
The first trials in the field used to get brittle fracture cracks on a cold Highveld morning. This is because the whole research was in terms of ferritic structure. The problem was solved when the research dictated a move away from a ferritic to a duplex structure, which combined to give strength, ductility, toughness and corrosion-resistance.

Chromium provides hardness and corrosion resistance in the form of layer on layer of oxide film which reforms when damaged.

The development of 3CR12 has taken a decade from conception to commercial production, and has cost millions of rands.

MS&A was originally motivated to do the research in order to find ways of increasing consumption of chromium.

"It started in our own labs in Middelburg but because the programme became so comprehensive we brought in Wits, Cape Town and Pretoria universities. We had to carry out research related to production while simultaneously carrying out basic research on welding, corrosion and fatigue," said Melvill. "Something like 90% of the work was done in SA."



"We put the first 300 tons of the material into the market in 1978, and we expect a 36% increase in sales this year. In 1978-80 we were not marketing the steel, but sold it for prototypes and built up a case study of about 2 000 prototypes. The steel was launched commercially in 1981.

"Then, in 1983 we switched from ingot production to slab production which created a new set of problems which had to be solved."

Melvill says it is impossible to calculate how much it cost to develop 3CR12. MS&A spends about R2m a year on research and development, but this accounts for only a portion of the total development cost.

"All one can say is that it cost millions," he says.

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CSO: 3400/008

SOUTH AFRICA

BRIEFS

NATAL BUILDING FIRMS IN DIFFICULTY--Durban--The building industry in Natal appears to be going through one of its worst ever periods with many firms closing and hundreds of workers being retrenched. A spokesman for the Masters Builders Association said this in Durban yesterday and added that prospects for the next 18 months appeared grim. He said that in the last three weeks at least seven building firms had closed because "there is simply no work." He said the industry in Durban and the rural areas of Natal was at "rock bottom" and back to the employment levels of 1977-78. Another worrying factor was that many of the skilled artisans had accepted offers in Australia and other countries and would not be coming back to South Africa easily, the spokesman added. He knew of at least five executives of major building concerns who had been given contracts in Australia and had decided to quit South Africa. According to the managing directors of two of the biggest building firms in Natal workers--mostly Blacks--were being retrenched at the rate of between 300 and 400 a week. [Text] [Johannesburg THE CITIZEN in English 30 May 86 p 14] /9317

ESCOM BUILDS WORLD'S LARGEST RADIATOR--Escom technicians have started to build the world's largest radiator, a giant version of a motor car water cooler with enough piping to stretch end-to-end from Cape Town to Tanzania. The radiator, one of six which will lie across the bottom of the world's biggest cooling towers at Kendal, near Ogies on the eastern Highveld, is a closed system from which water losses through cooling will be virtually nil. The first radiator is to prove its massive water savings when the initial power unit of Escom's "dry" power station Kendal comes on stream in 1988. Conventional power stations are notorious for their huge water evaporation losses. Kendal's jumbo coolers consist of almost 2 000 km of steel piping somewhat thicker than a garden hose. [Text] [Johannesburg THE STAR in English 28 May 86 p 9] /9317

GASKETS FOR JAPANESE CAR MARKET--Turner & Newall, the engineering company soon to be listed on the JSE, is to manufacture precision engineered cylinder head gaskets for the Japanese car market. According to preliminary tests, the locally manufactured gasket can compete with the world's top technologically-designed products in terms of both quality and price. Managing director Vic Bodell comments: "Americans wanting gaskets for Japanese cars in the United States buy Japanese or Taiwanese imports. However, we can produce the same quality product more cheaply than manufacturers in the East." He believes Turner & Newall's export turnover will comprise 25 percent of sales by 1987. [Text] [Johannesburg SUNDAY STAR (Finance) in English 25 May 86 p 1] /9317